

2023 ANNUAL ASSETS REPORT

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Table of Contents

1. FOREWORD	3
1.1 Economic Overview	4
1.2 MOFI Strategic Pillars	5
2. PORTFOLIO OVERVIEW	6
2.1 Portfolio Composition	7
2.1.1 Corporate Assets composition	7
2.1.2 FGN Interest in Corporate Assets (portfolio companies)	7
2.2 Summary Dividends paid to FGN by portfolio companies	8
2.3 Implied Market Value of Corporate Assets (portfolio companies)	10
2.4 Portfolio Financial Performance Review	13
3. SECTORS' REVIEW	19
3.1 Financial Services	20
3.2 Energy	23
3.3 Real Estate/Housing	26
3.4 Agriculture	29
3.5 Hospitality	32
3.6 Information and Communications Technology	34
3.7 Transportation and Logistics	37
3.8 Health	39
4. PORTFOLIO COMPANIES' REVIEW	41
5. ADDITIONAL INFORMATION	127
5.1 Status of Financial Reports Provided by Portfolio Companies	128
5.2 Enterprise Reporting Dates	129
5.3 Valuation Summary	130
5.4 Abbreviations and Acronyms	131



1.0 FOREWORD

1.1 2023 Economic Overview

In 2023, the global economy exhibited resilience amidst significant challenges, including unprecedented inflation levels, geopolitical tensions, and sluggish growth. Global economic growth was reported to be 3.1%, reflecting a recovery from the COVID-19 pandemic, though it remained below pre-pandemic levels. Key factors influencing this performance included sustained interest rate hikes by central banks aimed at controlling inflation, which dampened consumer demand and investment. Advanced economies experienced tighter financial conditions, yet many managed to avoid recession. In the Sub-Saharan African (SSA) region, economies faced a myriad of local challenges, including elevated inflation, currency depreciation, and political instability. Looking forward, a moderate global growth is anticipated, with expectations of lower inflation and potential interest rate cuts. This optimism is underpinned by easing financial conditions in advanced economies and improved domestic fiscal measures across various countries.

Nigeria's economy faced a deceleration in growth from 3.3% in 2022 to 2.9% in 2023, primarily driven by high inflation, which surged from 18.8% to 24.5%. Key contributors to this inflationary trend included rising fuel costs and a significant depreciation of the Naira, which was floated in June 2023. The Naira value dropped drastically, contributing to a 167% increase in petrol prices, with costs rising from 254 to 671 Naira per liter by December 2023. Despite these challenges, growth was supported by the Services and Agriculture sectors on the supply side, along with consumption and investment on the demand side. The fiscal deficit narrowed slightly from 5.4% of GDP in 2022 to 5.1% in 2023, with government revenues improving but still remaining low at 7.6% of GDP. Public debt stood at a manageable 40% of GDP, but the debt service to revenue ratio was concerningly high at 111%, indicating substantial fiscal stress. The current account surplus improved, reflecting a boost from higher oil prices and exports, although international reserves fell to five months of import cover.

Looking ahead, Nigeria's economic growth is projected to rise to 3.2% in 2024 and 3.4% in 2025 according to African Development Bank's "Country Focus Report" for Nigeria.

This projection is driven by improved security, higher oil production, and stronger consumer demand. However, inflation is expected to escalate to 31.6% in 2024 due to rising food prices and ongoing Naira depreciation, before tapering off to 20.7% in 2025 as inflationary pressures ease.

The fiscal deficit is projected to narrow further, driven by improved oil and non-oil revenues, while the current account surplus is anticipated to increase to 3.0% of GDP in 2024. Nonetheless, significant headwinds remain, including security challenges, fluctuating oil production, and persistent inflation. Additionally, the anticipated start of operations at the Dangote refinery could help stabilize energy prices in the local market. Nigeria's economic structure remains largely unchanged despite some progress in services sector employment. The rate of employment in agriculture has decreased significantly, while the industrial sector has seen only marginal growth. The country faces high informal unemployment rates and low-quality jobs, indicating a need for comprehensive reforms in labor and industrial policies.

To facilitate structural transformation, Nigeria must enhance domestic resource mobilization, particularly through tax administration reforms. The African Development Bank's initiatives to introduce a unique identification system are aimed at improving tax compliance. Nigeria's access to global financial markets is hampered by high borrowing costs, with yields on long-term bonds significantly elevated compared to earlier years. As global economic conditions evolve, there is a call for reform in the global financial architecture to improve access to liquidity for countries like Nigeria, particularly through mechanisms such as the African Financial Stability Mechanism. This could provide essential support as Nigeria navigates its economic challenges while also addressing the broader impacts of the global economy.

In conclusion, while Nigeria's economic outlook for the next few years shows potential for growth and improvement, significant risks remain. The interplay of domestic reforms, global economic conditions, and local challenges will be crucial in shaping Nigeria's path forward. Proactive measures are needed to tackle inflation, enhance revenue generation, and stimulate private sector-led growth to ensure a more stable and prosperous economic future for Nigeria.

1.2 MOFI Strategic Pillars

Mandated as the custodian and active manager of all the Federal Government's investment interests, assets, estates, easements, and rights, the Ministry of Finance Incorporated (MOFI) has a strategic vision to 'become a world-class active investment vehicle that creates wealth for all generations and contributes to the development of the Nigerian economy'. MOFI was incorporated in 1959 and has historically played a passive role as the custodian of the Federal Government of Nigeria's (FGN) assets.

However, in February 2023, MOFI was restructured as the investment arm and active manager of the FGN assets and investments. Along with this restructuring, came the directive to build and populate a National Asset Register (NAR), a comprehensive database of all assets and investments of the Federal Government.

With diverse investments in sectors like Agriculture, Finance, Health and Digital Infrastructure, MOFI plays a pivotal role in Nigeria's economic growth, aiming to reduce poverty, create jobs, and foster inclusive development.

A pivotal aspect of MOFI's strategy is the harmonization of its shareholdings and interests across various asset classes. This approach is designed to fortify shareholder rights, ensuring that entities in which MOFI has stakes are not only fulfilling their socio-economic responsibilities but are also generating risk-adjusted financial returns for the FGN.

To attain its vision of becoming a world-class investment vehicle, MOFI stands firmly on three strategic pillars which guide its operations and decision-making process in achieving its mandate. These pillars, also referred to as the 3-Point Strategic Agenda, are as follows:

1. Asset Identification and Management

Firstly, MOFI will establish and confirm the state ownership of the FGN's investment and interest in different assets. The aim is to regularize ownership title and conduct comprehensive assessments of state-owned assets. It is important to create detailed asset inventories, encompassing condition, value, and potential leverage. In addition, the objective is to devise strategies to optimally utilize assets to propel further economic growth and development.

2. Professionalizing State Enterprises

Here, MOFI professionalizes the state ownership by executing multifaceted processes to transform the management and operations of State-Owned Enterprises (SOEs) to meet higher standards of efficiency, transparency, and performance. The objective is to carry out a comprehensive review of governance frameworks, ensuring they are equipped with qualified and independent boards.

3. Capital Mobilization for Economic Priorities

On the journey to powering tomorrow's growth sectors in Nigeria, MOFI strategically mobilizes resources for priority sectors such as Agriculture, Manufacturing, Technology, and Infrastructure. MOFI has developed a strategic investment plan that accentuates priority sectors, aimed at shifting Nigeria from a consumption-based economy to a production-centric, principles-driven economy.

Asset identification and management	Establishing a definitive database for FGN assets, MOFI aims to maintain a single source of truth for all FGN-owned assets.
Professionalizing state enterprises	Elevating the operational standards of government owned enterprises and government linked companies. This includes providing necessary support and ensuring strong corporate governance structures.
Capital mobilization for economic priorities	Mobilizing and deploying investment capital into key sectors of the national economy, underlining its commitment to economic growth and development



2.0 PORTFOLIO OVERVIEW

2.1 Portfolio Composition and Overview

MOFI operates under a strategic mandate that emphasizes proactive management and value optimization across a diverse range of asset classes. This portfolio encompasses not only assets directly owned by FGN but also those within government-owned entities (GOEs) and government-linked companies (GLCs).

To this end, MOFI has a directive to build and populate a National Assets Register (NAR), a comprehensive database of all assets and investments of the Federal Government. The National Assets Register is a critical foundational block to reposition MOFI as an efficient and effective custodian, manager and investor of FGN's portfolio.

The NAR categorizes assets into nine (9) broad classes, namely:

1. Corporate Assets representing equity interests where the FGN holds a shareholder position.
2. Concession Assets which operates under public-private partnership arrangements.
3. Real Estate Assets capturing all land and property under the ownership of the FGN.
4. Infrastructure Assets excluding those related to power and electricity.
5. Extractive Assets pertaining to solid minerals and metals.
6. Energy Assets focusing on assets within the oil and gas resources.
7. Power Assets within the power generation and electricity distribution sectors.
8. Specialised Assets such as licenses, patents, trademarks, copyrights, software, intellectual property rights, right of way, other intangibles, arts and collectibles.
9. Financial Assets covering receivables, treasury assets, and other monetary instruments.

Note: This report will specifically focus on **Corporate Assets** which represent equity interests where the FGN has a shareholding. This emphasis will allow for a detailed analysis of the corporate segment of MOFI's portfolio and its impact on overall fiscal performance.

2.1.1 Corporate Assets composition

This Portfolio Report encompasses a comprehensive evaluation of Corporate Assets which have been classified as follows:

- Financial Services
- Real Estate / Housing Finance
- Energy
- Hospitality
- Agriculture
- Information and Communication Technology (ICT)
- Transportation and Logistics
- Health

For this report, twenty (20) corporate assets, representing 50% of the forty (40) kick-off assets under MOFI's portfolio have been evaluated. Below is a summary of FGN's interest in the 20 portfolio companies being reviewed:

2.1.2 FGN Interest in Corporate Assets

S/N	Portfolio Company	Sector	Percentage Holding		
			Total FGN (%)	Others (%)	
			MOFI (%)	Other FGN (%)	
1	*Abuja Electricity Distribution Company	Energy	40.00	-	60.00
2	African Reinsurance Corporation	Financial Services	8.20	-	91.80
3	Bank of Industry	Financial Services	50.43	49.56	0.01
4	Bio Vaccines Nigeria Limited (BVNL)	Health	49.00		51.00
5	Development Bank of Nigeria Plc.	Financial Services	60.00	15.00	25.00
6	*Eko Electricity Distribution Company	Energy	40.00	-	60.00
7	Family Homes Fund Limited	Real Estate	51.00	49.00	-
8	Galaxy Backbone	ICT	35.00	-	65.00
9	Haske Solar Company Limited	Energy	80.00		20.00
10	Nigeria Deposit Insurance Corporation	Financial Services	40.00	60.00	-
11	Nigeria Mortgage Refinance Company	Financial Services	15.68	20.91	63.41
12	Nigeria Sovereign Investment Authority	Financial Services	46.50	-	53.50
13	Nigerian Communications Satellite (NigComSat)	ICT	99.50	0.5	-
14	Nigerian Export-Import Bank	Financial Services	50.00	50.00	-
15	Nigerian National Petroleum Company Limited	Energy	50.00	50.00	-
16	Nigerian Railway Corporation (NRC)	Transportation and Logistics	100.00	-	-
17	PFI-NPK	Agriculture	100.00	-	-
18	Royal Eswatini Sugar Corporation	Agriculture	10.00	-	90.00
19	The Infrastructure Bank (TIB)	Financial Services	10.31	-	89.70
20	Transcorp Hotels Plc	Hospitality	11.04	-	88.96

*For the Discos, Total FGN refers to the total shareholding for Government (Federal and State).

40% is shared between FGN & the State in which the discos operate.

2.2 Summary Dividends paid to FGN by Portfolio Companies

S/N	Portfolio Company	Payment type	2023		2022	
			Total dividends declared by the Company (₦'Bn)	Amounts received by FGN (₦'Bn)	Total dividends declared by the Company (₦'Bn)	Amounts received by FGN (₦'Bn)
1	Nigerian National Petroleum Company Limited (NNPCL)	Remittances	N/A	243.5	N/A	-
2	Nigeria Deposit Insurance Corporation (NDIC)	Statutory payments to FGN	N/A	90.5	N/A	45.0
3	Bank of Industry (BOI)	Dividends	10.7	7.8	8.1	6.7
4	Development Bank of Nigeria Plc. (DBN)	Dividends	3.3	1.8	3.4	-
5	African Reinsurance Corporation (African Re)	Dividends	18.7	3.2	10.8	-
6	Royal Eswatini Sugar Corporation (RESC)	Dividends	0.5	0.4	1.3	0.3
7	Nigeria Mortgage Refinance Company (NMRC)	Dividends	1.8	0.1	1.0	0.1
8	Family Homes Fund Limited	Dividends	0.2	0.1	0.1	-
Total				347.5		52.1

Variances between Expected Dividends by FGN and Dividends Received, due to WHT

In 2023, the Federal Government of Nigeria (FGN) received financial contributions from its portfolio companies, marked by remittances, dividends, and statutory payments.

Dividends received in 2023 were declared by companies in 2022, while dividends received in 2022 were based on dividends declared in 2021.

Below is a detailed narrative on the dividends and remittances received from each of these companies:

1. Nigerian National Petroleum Company Limited (NNPCL)

Remittances Paid: ₦243.5 billion

NNPCL made a significant contribution by remitting ₦487 billion to the Federation Account, out of which ₦243.5 billion was allocated as remittance to the Federal Government. This is in line with the Petroleum Industry Act (PIA) section that mandates the NNPCL to remit dividends to its shareholders and retain 20% of profits.

2. Nigeria Deposit Insurance Corporation (NDIC)

Statutory payments : ₦90.5 billion

NDIC made statutory payments totaling ₦90.5 billion to the government in 2023 and ₦45.0 billion in 2022, in compliance with the Fiscal Responsibility Act, which mandates the remittance of 80% of its operating surplus to the Consolidated Revenue Fund.

3. Bank of Industry (BoI)

Dividends Received: ₦7.8 billion

FGN received dividends of ₦7.8 billion in 2023, an increase from ₦6.7 billion in 2022 from the Bank of Industry (BOI). Though recording the increase in the nominal amount Y-Y, the dividend payout ratio declined from 15% in 2022 to 8% in 2023.

4. Development Bank of Nigeria Plc. (DBN)

Dividends Received: ₦1.8 billion

Dividends received by FGN (after tax) from DBN for 2023 was ₦1.8 billion. Total dividends declared in 2023 was ₦3.3 billion, with the payout ratio decreasing slightly from 17% in 2022 to 13% in 2023.

5. African Reinsurance Corporation ("Africa Re")

Dividends Received: ₦3.2 billion

FGN received dividends of ₦3.2 billion from Africa Re in 2023. This receipt is based on dividends declared for 2019, 2021, and 2022 financial years amounting to a total of \$4,910,400. (This was converted using the FMDQ NAFEX average 2023 exchange rate of ₦649.63/\$).

Summary dividends paid to FGN by portfolio companies Cont'd

6. Royal Eswatini Sugar Corporation ("RESC")

Dividends Received: ₦ 0.4 billion

RESC dividend payment saw a notable increase from E9.9 million in 2022 to E11 million in 2023. In Naira terms, this translates to an increase from ₦0.3 billion to ₦0.4 billion (these conversions were executed using the Swazi Lilangeni average exchange rate for the relevant years).

7. Nigeria Mortgage Refinance Company (NMRC)

Dividends Received: ₦0.1 billion

NMRC paid ₦0.1 billion in dividends to the FGN in 2023 (based on ₦1.0 billion dividends declared in 2022), and ₦0.1 billion paid in 2022 (based on dividends declared in 2021). The payout ratio increased from 30% in 2022 to 50% in 2023, signaling improved financial performance. The total dividends declared by NMRC for 2023 were ₦1.76 billion, up from ₦1.0 billion in 2022.

8. Family Homes Funds Limited (FHFL)

Dividends Received: ₦0.1 billion

FHFL paid ₦0.1 billion in dividends in 2023 (dividend pay-out ratio of 5%) to the FGN. The dividend received in 2023 was based on dividends declared in 2021.

Conclusion

In total, the Federal Government received ₦347.5 billion in 2023 from these portfolio companies, a significant increase from the ₦52.1 billion received in 2022.

2.3 Implied Valuation of Portfolio Companies

Summary	2023	2022	YoY% Growth
	₦ Trillions		
Implied Company Valuation	78.4	27.1	189%
MOFI Implied Stake	38.6	13.5	186%

2023	2022	YoY% Growth
82.3	58.7	40%
40.6	29.3	39%

Exchange Rates (1 USD = NGN)		
	Closing	Average
2023	951.790	649.63
2022	461.1	426.88

2.3.1 Implied valuation per sector

Implied valuation by sector (NGN Billions)					
Sector	No of PC'S	2023		2022	
		Implied Company Valuation	MOFI Implied Equity Stake	Implied Company Valuation	MOFI Implied Equity Stake
Energy	4	70,816.9	35,388.8	22,772.2	11,374.5
Financial Services	8	5,831.5	2,136.7	3,252.9	1,259.4
Real Estate/Housing	1	76.4	39.0	44.3	22.6
Agriculture	2	498.1	307.9	205.2	131.4
Hospitality	1	414.3	45.7	80.0	8.8
Information and Communications Technology	2	42.1	31.5	54.9	43.9
Transportation and Logistics	1	669.8	669.8	657.2	657.2
Health	1	3.1	1.5	2.9	1.4
Total	20	78,352.1	38,621.0	27,069.6	13,499.3

The valuation analysis of MOFI's equity stake across sectors highlights significant growth in the implied company valuations and MOFI's corresponding equity stakes from 2022 to 2023. The total implied valuation of MOFI's portfolio increased significantly from ₦27,069.6 billion in 2022 to ₦78,352.1 billion in 2023, with MOFI's equity stake rising from ₦13,499.3 billion to ₦38,621.0 billion. This growth was driven by substantial increases in the Energy, Hospitality, and Financial Services sectors, reflecting the resilience and strategic relevance of these industries.

The Energy sector accounts for the largest portion of MOFI's portfolio, with an implied valuation rising significantly from ₦22,772.2 billion in 2022 to ₦70,816.9 billion in 2023, representing a growth of over 200%. MOFI's equity stake in the sector nearly tripled, increasing from ₦11,374.5 billion to ₦35,388.8 billion. This sharp increase underscores the strategic importance of Energy investments, driven by the enhanced performance of companies like NNPC and Eko Electricity Distribution.

The Financial Services sector demonstrated a steady growth, with the total implied company valuation increasing from ₦3,252.9 billion in 2022 to ₦5,831.5 billion in 2023. MOFI's equity stake in this sector grew by 70%, from ₦1,259.4 billion to ₦2,136.7 billion. This reflects improved profitability and operational efficiency in Financial Services portfolio companies with the exception of The Infrastructure Bank (TIB)

The Agriculture sector also saw a significant valuation increase, with the implied company valuation rising from ₦205.2 billion in 2022 to ₦498.1 billion in 2023. MOFI's equity stake increased from ₦131.4 billion to ₦307.9 billion. This growth highlights the improved performance of agricultural entities like Royal Eswatini Sugar Corporation, despite sectoral challenges.

The Hospitality sector also experienced a significant growth, with the implied company valuation increasing more than five-fold, from ₦80.0 billion in 2022 to ₦414.3 billion in 2023. MOFI's equity stake rose from ₦8.8 billion to ₦45.7 billion. This growth is primarily attributed to the robust performance of Transcorp Hotels, driven by a rebound in Tourism and Hospitality Services which impacted its share price.

ICT sector showed a decline in the total implied valuation, from ₦54.9 billion in 2022 to ₦42.1 billion in 2023. Similarly, MOFI's equity stake decreased from ₦43.9 billion to ₦31.5 billion, reflecting ongoing challenges faced by ICT companies like Galaxy Backbone and NigComSat in maintaining profitability and scaling operations.

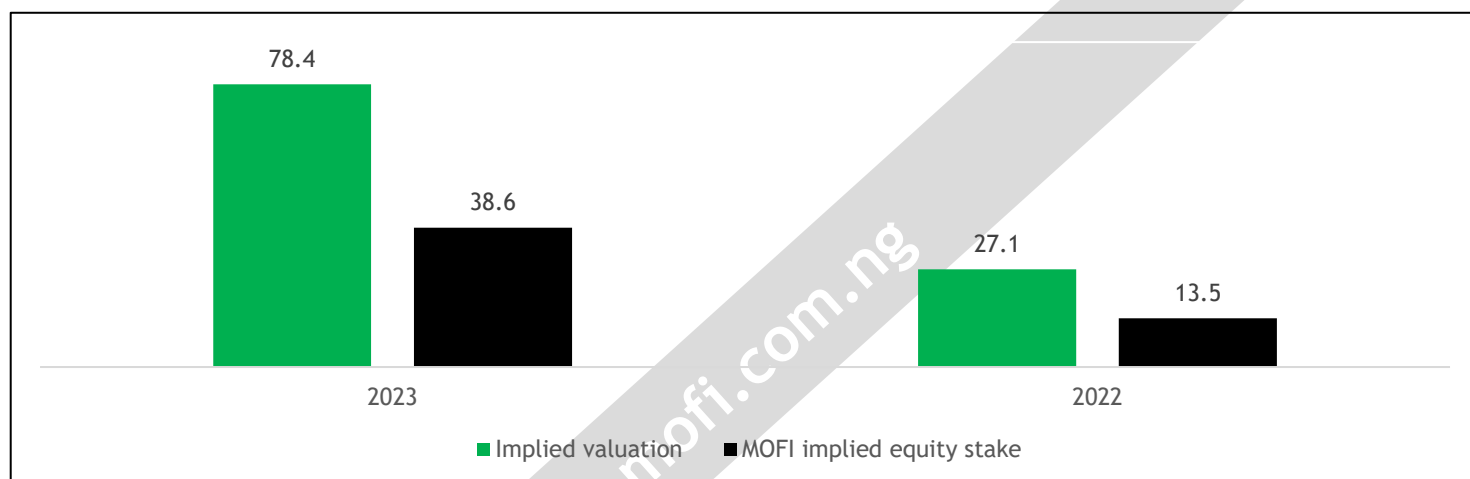
Implied Valuation Per Sector(Cont'd)

The Transportation and Logistics sector remained relatively stable, with the implied valuation increasing marginally from ₦657.2 billion in 2022 to ₦669.8 billion in 2023. MOFI's equity stake, representing a full holding, remained constant at ₦669.8 billion. This stability underscores the consistent role of entities like the Nigerian Railway Corporation in the sector.

The Real Estate sector experienced significant growth, with its implied valuation rising from ₦44.3 billion in 2022 to ₦76.4 billion in 2023. MOFI's equity stake increased from ₦22.6 billion to ₦39 billion over the same period.

Lastly, the Health sector experienced marginal growth, with the total implied valuation increasing from ₦2.9 billion in 2022 to ₦3.1 billion in 2023. MOFI's equity stake rose slightly, from ₦1.4 billion to ₦1.5 billion. This modest growth reflects the steady but constrained development of healthcare investments in the portfolio.

2.3.2 Implied Valuation of 20 Portfolio Companies (NGN Trillions)



2021 to 2023 Valuation Trend

Implied Company Valuation

₦ Trillions	2023	2022	2021
Value for 40 pcs			63.1
Value for 20 Pcs	78.4	27.1	

MOFI Implied Stake

₦ Trillions	2023	2022	2021
MOFI Stake in 40 pcs			18.6
MOFI Stake in 20 Pcs	38.6	13.5	

\$Billions	2023	2022	2021
Value for 40 pcs			148.8
Value for 20 Pcs	82.3	58.7	

\$Billions	2023	2022	2021
MOFI Stake in 40 pcs			43.8
MOFI Stake in 20 Pcs	40.6	29.3	

The valuation trend from 2021 to 2023 demonstrates significant fluctuations in both implied company valuations and MOFI's stake in these valuations. In 2023, the value for 20 PCs increased sharply to ₦78.4 trillion, up from ₦27.1 trillion in 2022. In USD, the value for 20 PCs also rose to \$82.3 billion, compared to \$58.7 billion in 2022. This hike in valuation can be attributed to the improved performance of the PCs, including substantial growth in equity (170%), total assets (264%), and net income (723%), as well as the growth in the relevant multiples applied to the valuation.

We are unable to compare 2022, 2023 vs 2021 valuation, because as indicated in the table above, the valuation for 2021 was carried out for 40 companies, which represented MOFI's list of Kick-off assets at its launch. However, due to the unavailability of audited financial statements for all 40 companies, the valuation for 2022 and 2023, was only carried out for 20 companies (please see Section 5 - Page 128, for further details in this regard).

MOFI's stake followed a similar trend, reflecting the overall changes in the company valuations. In 2023, MOFI's stake in 20 PCs increased to ₦38.6 trillion and \$40.6 billion, up from ₦13.5 trillion and \$29.3 billion in 2022. This positive change aligns with the overall performance improvements in the PCs. In 2021, MOFI's stake in 40 PCs was ₦18.6 trillion and \$43.8 billion, which was a peak reflecting both a higher number of PCs and higher valuations before the DFI exclusions and the subsequent valuation drop in 2022.

We note that the reduction in the number of PCs used for the 2022 and 2023 valuations, compared with 2021, as well as other performance indicators, contributed to the drop in valuation. However, the valuations in 2023 have significantly rebounded from 2022, reflecting strong growth in key financial metrics, which have contributed to a notable increase in the value of MOFI's stake.

2.3.3 Valuation Methodology

The implied company valuations were determined using a combination of several valuation methods, each suited to the specific characteristics of the companies within each sector:

- **Enterprise Value to EBITDA (EV/EBITDA) Multiple:**
This method is primarily used for companies in the Energy sector, where the focus is on operational performance, reflected through earnings before interest, taxes, depreciation, and amortization (EBITDA). Companies like NNPC and the electricity distribution companies were valued using this approach.
- **Enterprise Value to Revenue (EV/Revenue) Multiple:**
Applied to companies where revenue is a key driver, this method was used for the electricity distribution companies, such as Abuja and EKO Distribution, which derive substantial value from their revenue-generating capabilities.
- **Price-to-Book (P/B) Multiple:**
The P/B multiple is used for financial institutions and some real estate companies, where the valuation is closely tied to the book value of assets.
- **Price-to-Earnings (P/E) Multiple:**
This approach was employed for companies in the real estate sector, such as Family Homes Fund, where earnings performance is a significant indicator of valuation.
- **Net Asset Value (NAV):**
The Net Asset Value (NAV) method was particularly useful for financial institutions like Nigeria Sovereign Investment Authority (NSIA), where assets under management and net assets are the key valuation drivers.
- **Precedent Transaction Analysis:**
This method was applied to companies like Abuja and EKO Electricity Distribution, where past transactions within the same industry or sector provide useful benchmarks for valuation.

2.4 Financial Performance Overview

The following analysis offers an overview of the Corporate Assets managed on behalf of the Federal Government of Nigeria (FGN). The FGN either directly or indirectly controls or holds minority stakes in the companies which are assessed for this review. These assets are categorized into eight (8) sectors: Financial Services, Energy, Real Estate/Housing, Agriculture, Hospitality, Information & Communications Technology (ICT), Transportation and Logistics and Health.

The financial performance of the 20 companies saw a significant upward trend from 2022 to 2023, with most companies exhibiting robust growth across key metrics such as total assets, total equity, and net income. The Energy sector continues to dominate in terms of asset growth and profitability driven primarily by the Nigerian National Petroleum Company Limited (NNPCL), while the Financial Services sector shows notable improvements in capital accumulation representing 10.3% of total equities. Overall, the growth in total assets and equities indicates a strengthened financial position across the portfolio, supported by strategic investments.

Abridged Financial Statements for the Twenty (20) Portfolio Companies										
S/N	Portfolio Company	Sector classification	Total Assets		Total Liabilities		Equity		Net income	
			FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)
1	Abuja Electricity Distribution Company (AEDC)	Energy	380.8	284.1	326.3	251.1	54.5	33.1	0.4	(7.3)
2	African Reinsurance Corporation (Africa Re)	Financial Services	1,570.0	691.1	555.7	230.5	1,014.3	460.6	82.5	25.6
3	Bank of Industry (BOI)	Financial Services	3,912.1	2,376.0	3,235.1	1,946.2	676.9	429.8	102.5	52.9
4	Bio Vaccines Nigeria Limited	Health	2.9	2.0	0.9	0.0	2.0	1.9	0.1	(0.1)
5	Development Bank of Nigeria Plc. (DBN)	Financial Services	544.0	520.3	308.4	305.8	235.5	214.5	24.5	20.1
6	Eko Distribution Company (EKEDC)	Energy	293.0	218.2	225.4	160.7	67.6	57.5	10.1	(0.7)
7	Family Homes Fund Limited	Real Estate /Housing Finance	154.5	129.3	58.2	40.2	96.2	89.1	3.7	1.5
8	Galaxy backbone (GBB)	Information and Communications Technology	18.4	17.7	11.9	11.4	6.5	6.4	0.1	0.8
9	Haske Solar Company Limited	Energy	11.0	7.7	2.1	0.7	8.9	7.1	1.8	0.3
10	Nigeria Deposit Insurance Corporation (NDIC)	Financial Services	2,523.2	2,184.7	1,781.6	1,527.3	741.6	657.4	183.4	144.5
11	Nigeria Mortgage Refinance Company (NMRC)	Financial Services	87.4	85.7	61.7	62.4	25.7	23.2	3.6	3.4
12	Nigeria Sovereign Investment Authority (NSIA)	Financial Services	2,258.9	1,032.7	36.7	16.0	2,222.2	1,016.7	1,185.0	102.4
13	Nigerian Communications Satellite (NigComSat)	Information and Communications Technology	39.7	46.1	12.3	12.1	27.3	34.0	(7.4)	(5.6)
14	Nigerian Export-Import Bank (NEXIM)	Financial Services	301.3	237.4	214.4	188.9	86.9	48.5	13.2	6.2
15	Nigerian National Petroleum Company Limited (NNPCL)	Energy	246,815.9	58,486.1	218,285.9	49,192.7	28,530.0	9,293.4	3,297.4	2,523.5
16	Nigerian Railway Corporation (NRC).	Transportation and Logistics	877.0	890.3	1,057.9	1,045.4	(180.9)	(155.1)	(26.4)	(24.3)
17	PFI-NPK	Agriculture	114.4	130.9	88.7	114.6	25.7	16.3	9.4	11.3
18	Royal Eswatini Sugar Corporation (RESC)	Agriculture	225.0	110.7	92.0	42.0	133.0	68.7	6.3	7.5
19	The Infrastructure Bank (TIB)	Financial Services	6,849.5	5,917.4	8,550.0	6,391.3	(1,700.5)	(473.9)	(1,358.6)	(2,424.7)
20	Transnational Corporation hotel Plc (Transcorp)	Hospitality	126.1	120.5	59.3	57.7	66.8	62.8	6.3	2.9
Total			267,105.1	73,488.9	234,964.5	61,597.0	32,140.2	11,892.0	3,537.9	440.2

2.4.1 Total Assets

Aggregate Book value of Total Assets	FY 2023 (₦Bn)	FY 2022 (₦Bn)	% Change
Financial Services	18,046.4	13,045.4	38.3
Energy	247,500.8	58,996.1	319.5
Real Estate /Housing Finance	154.5	129.3	19.4
Agriculture	339.4	241.6	40.5
Hospitality	126.1	120.5	4.7
Information and Communications Technology	58.1	63.8	(9.0)
Transportation and Logistics	877.0	890.3	(1.5)
Health	2.9	2.0	48.8
Total	267,105.20	73,489.00	264.0

The aggregate book value of total assets of the 20 portfolio companies (Corporate Assets) increased by 264.0% from ₦73.5 trillion to ₦267.1 trillion in 2023.

This growth was driven majorly by the Energy and Financial Services sector. The Energy sector demonstrated improvements, with assets soaring to ₦247.5 trillion in 2023, up from ₦58.99 trillion in 2022. This 319.5% increase is largely driven by growth in Nigerian National Petroleum Company Limited (NNPCL) total assets, which grew from ₦59.0 trillion in 2022 to ₦247.5 trillion in 2023 reinforcing the sector's dominance in aggregate total asset composition, which accounts for 92.7% of the aggregate total assets.

The Financial Services sector also saw substantial increase in its total assets contributing ₦18.0 trillion in 2023, a substantial increase from ₦13.0 trillion in 2022. This growth of 38.3% can be attributed to growth in financing activities through, innovations in financial products and services, highlighting the sector's critical role in the economy, with a share of 6.8% of total assets.

The Agriculture sector which is made up of Royal Eswatini Sugar Corporation (RESC) and PFI-NPK recorded growth, with total assets increasing by 40.5% from ₦241.6 billion in 2022 to ₦339.4 billion in 2023.

The Real Estate sector made a positive contribution, with total assets rising to ₦154.5 billion in 2023, compared to ₦129.3 billion in 2022. This 19.4% growth reflects a rising demand for housing and investment opportunities, though its overall share of total assets remains relatively small at 0.1%.

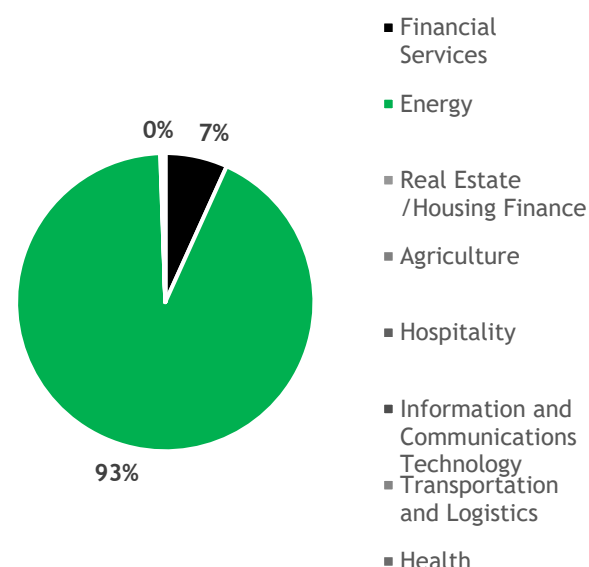
The Hospitality sector solely made up of Transcorp Hotel Plc experienced the least growth, with total assets rising by only 4.7%, from ₦120.5 billion in 2022 to ₦126.1 billion in 2023.

The ICT sector recorded a decline in total assets value, driven by a drop in Nigerian Communications Satellite (NigComSat) total assets by 13.9%.

The Transportation and Logistics sector which comprises solely of the Nigerian Railway Corporation (NRC), also saw a slight decline in total assets by 1.5%.

Lastly, The Health sector which comprises solely of Bio Vaccines Nigeria Limited recorded a growth of total assets by 48.8%

Total Assets by Sectors FY 2023



In summary, the total asset composition for 2023 is driven by the Energy sector at ₦247.5 trillion, making up 92.7% of total assets, followed closely by the Financial Services sector at ₦18.0 trillion, which constitutes 6.8%.

2.4.2 Total Liabilities

Aggregate Book Value of Total Liabilities	FY 2023 (₦'Bn)	FY 2022 (₦'Bn)	% Change
Financial Services	14,743.7	10,668.5	38.2
Energy	218,839.8	49,605.1	341.2
Real Estate /Housing Finance	58.2	40.2	45.0
Hospitality	59.3	57.7	2.8
Agriculture	180.7	156.6	15.4
Information and Communications Technology	24.3	23.4	3.5
Transportation and Logistics	1,057.9	1,045.4	1.2
Health	0.9	0.0	4541.8
Total	234,964.80	61,596.90	281.5

The aggregate book value of total liabilities of the 20 portfolio companies (Corporate Assets) experienced a substantial growth in 2023. Total liabilities reached ₦235 trillion, a significant increase from ₦61.6 trillion in 2022, representing a 281.5% growth. This growth in aggregate total liabilities is driven majorly by the Energy and Financial Services sector.

The Energy sector was the most significant contributor to aggregate total liabilities with a significant 341.2% growth from ₦49.6 trillion in 2022 to ₦218.8 trillion in 2023 which amounts to 89.2% of the aggregate total liabilities. This growth in the Energy sector total liabilities is largely driven by NNPC total liabilities, which surged significantly by 343.7% from ₦49.2 trillion in 2022 to ₦218.3 trillion in 2023.

The Financial Services sector also impacted the growth in aggregate total liabilities accounting for 6.3% of aggregate total liabilities. The sector demonstrated significant growth in total liabilities, increasing from ₦10.7 trillion in 2022 to ₦14.7 trillion in 2023, which marks a 38.2% increase.

The Agriculture sector showed slight increase in liabilities, growing by 15.4% from ₦156.6 billion in 2022 to ₦180.7 billion in 2023.

The Real Estate/Housing Finance sector, also saw an upward trend. The Real Estate sector reported a growth of 45% with total liabilities at ₦58.2 billion in 2023 up from ₦40.2 billion in 2022.

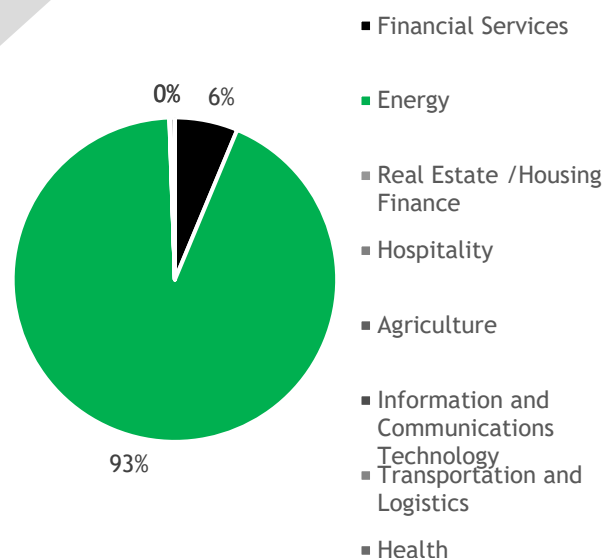
The Hospitality sector made up solely of Transcorp hotels recorded only a slight increase in total liabilities, rising by 2.8%, from ₦57.7 billion in 2022 to ₦59.3 billion in 2023.

The Information and Communication Technology sector recorded a minimal increase of 3.5%, from ₦23.4 billion in 2022 to ₦24.3 billion in 2023.

The Transportation and Logistics sector, made up solely of Nigerian Railway Corporation (NRC), also registered a minimal increase in total liabilities, by 1.2%, from ₦1.0 billion in 2022 to ₦1.1 billion in 2023.

The Health sector comprising solely of Bio Vaccines Nigeria Limited experienced a significant growth by over 4500% from 18.5 million in 2022 to 859.1 million in 2023. These liabilities are mostly account payables. The growth in payables suggests improvements in Bio Vaccines Nigeria Limited working capital management.

Total Liabilities by Sectors FY 2023



In summary, the portfolio's total liabilities surged from ₦61.5 trillion in 2022 to ₦234.9 trillion in 2023, a significant growth of 282.0%. The Financial Services and Energy sectors are the key contributors to this increase, with the energy sector leading the way with its significant 341.2% growth. While the growth in total liabilities may enhance potential returns, they also necessitate vigilant management of debt levels and cash flow to ensure sustainable growth moving forward.

2.4.3 Total Equities

Aggregate Book Value of Total Equity	FY 2023 (₦'Bn)	FY 2022 (₦'Bn)	% Change
Financial Services	3,302.7	2,376.9	38.9
Energy	28,661.0	9,391.0	205.2
Real Estate /Housing Finance	96.2	89.1	8.0
Agriculture	158.7	85	86.7
Hospitality	66.8	62.8	6.4
Information and Communications Technology	33.8	40.4	(16.3)
Transportation and Logistics	(180.9)	(155.1)	(16.6)
Health	2.0	1.9	5.8
Total	32,140.30	11,892.00	170.3

The aggregate book value of total equities of the 20 portfolio companies showed significant growth, increasing from ₦11.9 trillion in 2022 to ₦32.1 trillion in 2023. This impressive growth of approximately 170% underscores a significant positive trend in equity accumulation, primarily driven by the Financial Services and Energy sectors.

The Energy sector experienced the highest percentage increase, with total equity increasing from ₦9.3 trillion in 2022 to ₦28.6 trillion in 2023, a significant 205.2% growth. This surge can be attributed mainly to the Nigerian National Petroleum Company Limited (NNPCL), whose equity grew from ₦9.2 trillion to ₦28.5 trillion, reflecting ongoing investments and developments in Nigeria's energy landscape.

In the Financial Services sector, equity soared from ₦2.4 trillion in 2022 to ₦3.3 trillion in 2023, marking a 38.9% growth and comprising majority share at 10.3% of aggregate total equity, reflecting its crucial contribution to total equity.

The Real Estate sector, while exhibiting more modest growth from ₦89.1 billion in 2022 to ₦96.2 billion in 2023, at 8%, indicates a stabilizing market with increasing investments, particularly in entities like the Family Homes Fund.

The Agriculture sector made up of RESC and PFI-NPK also showed strong progress, with its book value of liabilities rising by 93.7%, from ₦85 billion in 2022 to ₦158.7 billion in 2023. This indicates a positive shift in the agricultural landscape.

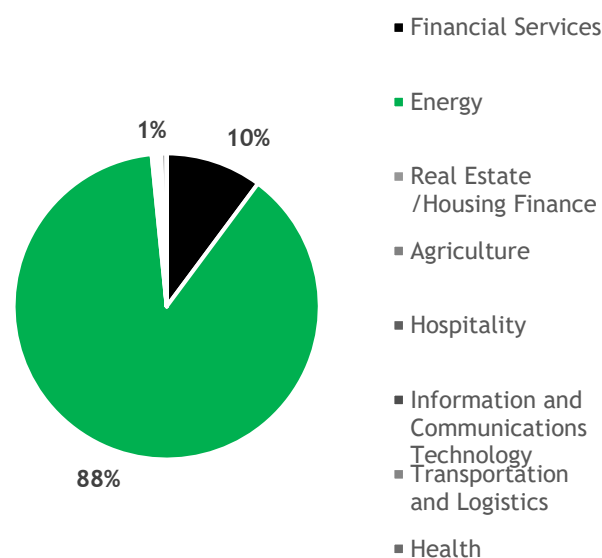
On the other hand, the Hospitality sector experienced more modest growth, with its book value rising just 6.4%, from ₦62.8 billion in 2022 to ₦66.8 billion in 2023. While the sector has been recovering from the pandemic, challenges such as reduced international tourism, fluctuating consumer spending, and ongoing economic uncertainties have likely kept growth in check.

The ICT sector showed a decrease in book value, from ₦40.4 billion in 2022 to ₦33.8 billion in 2023 a decline of 16.3%. This decline is driven by Nigerian Communications Satellite (NigComSat) negative Accumulated Revenue Fund. This decline suggests that the sector may still face challenges such as access to funding, infrastructure limitations, and intense competition from global tech players.

The Transportation and Logistics sector made up solely of Nigerian Railway Corporation (NRC) also saw a decline in total equity by 16.6%, from ₦155.0 billion in 2022 to ₦180.9 billion in 2023. This decline is driven by NRC concurrent negative net income position.

The Health sector, represented by BVNL, also experienced a modest growth in total equities by 5.8% indicative of growing investment in the Health sector.

Total Equities by Sectors FY 2023



2.4.4 Net Income

Aggregate Book Value of Net Income	FY 2023 (₦'Bn)	FY 2022 (₦'Bn)	% Change
Financial Services	235.9	(2,069.6)	114.4
Energy	3,309.7	2,515.8	31.6
Real Estate /Housing Finance	3.7	1.5	152.6
Agriculture	15.7	18.8	(16.5)
Hospitality	6.3	2.9	118.5
Information and Communications Technology	(7.4)	(4.8)	(53.0)
Transportation and Logistics	(26.4)	(24.3)	(8.7)
Health	0.1	(0.1)	(115.8)
Total	3,537.60	440.20	703.6

The aggregate net income of the 20 portfolio companies for the years 2022 and 2023 has shown a significant increase, rising from approximately ₦440.2 billion in 2022 to about ₦3.5 trillion in 2023. This represents a growth rate of approximately 703.6%, indicating a strong recovery and growth trajectory across the portfolio, particularly within the Financial Services and Energy sectors.

For the Energy sector, net income rose to ₦3.3 trillion in 2023 from ₦2.5 trillion in 2022, reflecting a growth of about 31.6%. The main contributor in this sector was the Nigerian National Petroleum Company Limited (NNPCL), which contributed a net income of ₦3.3 trillion, up from ₦2.5 trillion. The Sector contributes around 93.8% of the total net income, reflecting its continued importance in the Nigerian economy.

The Financial Services sector saw a turnaround, with net income rising to ₦235.9 billion in 2023, compared to a significant loss of ₦2.1 trillion in 2022. The meager growth in net income and consequent negative net income in 2022 is driven by the Infrastructure Bank (TIB) year on year losses of -₦2.4 trillion in 2022 and -₦1.4 trillion in 2023.

The Real Estate sector showed a significant growth, transitioning from a net income of ₦1.5 billion in 2022 to a net income of ₦3.7 billion in 2023.

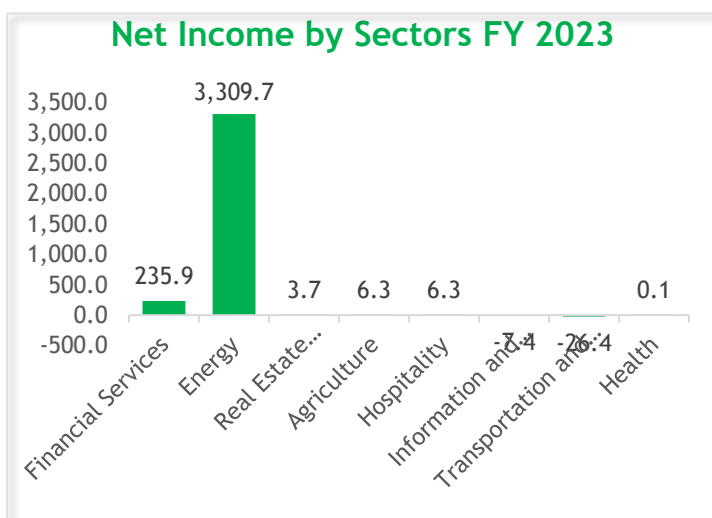
The Agriculture sector declined slightly from ₦18.8 billion in 2022 to ₦15.7 billion in 2023, reflecting a 16% decrease. Despite this decline, the Agriculture sector continues to contribute positively to the overall net income.

The Hospitality sector recorded a strong improvement in net income, rising from ₦2.9 billion in 2022 to ₦6.3 billion in 2023, marking a growth of 118.5%. This growth is a positive sign of recovery, as the sector rebounds from the impacts of the COVID-19 pandemic. Increased domestic tourism, improved consumer spending, and the easing of restrictions likely contributed to this upswing in profitability.

On the flip side, the Information and Communications Technology (ICT) sector continued to face difficulties, posting a net loss of -₦7.4 billion in 2023, compared to a smaller loss of -₦4.8 billion in 2022. This down turn is orchestrated by the ongoing market challenges experienced by Nigerian Communications Satellite (NigComSat) which remains under pressure.

The Transportation and Logistics sector showed a slight increase in net loss, with a net loss of -₦26.4 billion in 2023, compared to -₦24.3 billion in FY 2022, driven by NRC's concurrent negative net income position.

The Health sector comprising solely of Bio Vaccines Nigeria Limited also experienced a turnaround from a loss of ₦ 50.1 million in 2022 to a profit of ₦ 108.1 million in 2023.



In summary, the total net income grew significantly from ₦428.9 billion in FY 2022 to ₦3,528.0 billion in FY 2023, driven primarily by strong recoveries in Financial Services and growth in the Energy sector. Other sectors like Hospitality and Real Estate also saw improvements, while ICT and Transportation and Logistics faced high rate of losses.

2.4.5 Return on Equity

Aggregate Return on Equity	FY 2023	FY 2022
Financial Services	7.1%	(87.1%)
Energy	11.5%	26.8%
Real Estate /Housing		
Finance	3.8%	1.6%
Agriculture	9.9%	22.1%
Hospitality	9.4%	4.6%
Information and Communications Technology	(21.7%)	(11.9%)
Transportation and Logistics	14.6%	15.7%
Health	5.3%	(2.6%)
Total	11.0%	3.7%

In 2023, the portfolio's overall Return on Equity (RoE) rose to 11.0%, a notable recovery from 3.7% in 2022. This improvement was driven by strong performances across various sectors, though some sectors continued to face challenges.

Financial Services experienced a turnaround in RoE, rising to 7.1% in 2023, compared to a negative 87.1% in 2022. This significant recovery reflects a substantial rebound in the sector's profitability and effective capital utilization.

The Energy sector saw a decline in RoE, dropping to 11.5% in 2023 from 26.8% in 2022. Despite this decline, the sector remains a strong contributor to the portfolio, reflecting continued profitability albeit at a reduced rate.

The Real Estate / Housing Finance sector showed an improvement in RoE, increasing from 1.6% in 2022 to 3.8% in 2023. This positive growth indicates a steady performance and better utilization of equity.

Agriculture experienced a decline in RoE, falling from 22.1% in 2022 to 9.9% in 2023. While still positive, the decrease reflects some challenges faced within the sector during the year.

The Hospitality sector saw an improvement in RoE, rising from 4.6% in 2022 to 9.4% in 2023, benefiting from a strong post-pandemic recovery and growing demand in tourism and leisure.

The Information and Communications Technology (ICT) sector, RoE worsened, moving from -11.9% in 2022 to -21.7% in 2023. The sector continued to struggle, reflecting ongoing market challenges and lower profitability.

The Transportation and Logistics sector experienced a decline in RoE by 1%, driven by growth in negative net income position of NRC.

The health sector on the other hand recorded growth in RoE from a negative 2.6% in 2022 to 5.3% in 2023 driven by improvement in Bio Vaccines Nigeria Limited net income growth.

Overall, the portfolio's RoE improved in 2023, with notable gains in the Financial services, hospitality, health and real estate sectors. However, the ICT and agriculture sectors have faced challenges, leading to declines in RoE for those areas.

Important aspects of the portfolio analysis

Scope of Analysis: Information from 20 portfolio companies was included in the analysis due to the unavailability of complete data from the other companies for the period under review. Please refer to section 5 (additional information) for a detailed status of portfolio companies that have pending submissions.

Financial Data Assessment: Aggregate financial data was analyzed, as consolidated or combined financial statements were not available. Additionally, intercompany transactions were not eliminated due to insufficient data.

Source of Financial Information: The financial information presented in this report is derived from the audited annual financial statements of the respective enterprises.



3.0 SECTORS' REVIEW



3.1

Financial Services

3.1.1 Financial Services sector overview

In 2023, the Financial Services sector experienced significant transformations driven by both global and national developments. Central banks, including the U.S. Federal Reserve and the European Central Bank, continued to tighten monetary policies by raising interest rates to combat inflation. This led to higher borrowing costs and impacted global liquidity, prompting financial institutions to reassess their strategies. The acceleration of fintech solutions, particularly in blockchain and digital currencies, led regulatory bodies to establish frameworks to mitigate risks associated with cryptocurrencies. Additionally, geopolitical tensions, especially the Russia-Ukraine conflict, introduced market volatility, affecting investment strategies and risk assessments across the sector.

Locally, the Nigerian Financial Services sector demonstrated significant stability despite global economic slowdowns and domestic political tensions. Key indicators such as loan-to-deposit ratios and capital adequacy ratios remained healthy, showcasing the strength of the financial system.

The year also saw significant advancements of fintech loan companies experiencing substantial growth due to increased smartphone penetration and greater public awareness of cashless alternatives. Additionally, cybersecurity threats became more pronounced, with electronic fraud losses escalating significantly, prompting financial institutions to invest heavily in security measures.

As the financial sector navigates these challenges and opportunities, embracing technology, addressing financial exclusion, and adapting to regulatory changes will be essential for sustainable growth and inclusive prosperity in the coming years.

3.1.2 Financial Services sector portfolio overview

Eight (8) of the corporate assets being reviewed operate in the Financial Services sector as listed below:

Financial Services Portfolio Companies		
S/N	Portfolio Company	MOFI Interest
1	Bank of Industry (BOI)	50.44%
2	Nigeria Deposit Insurance Corporation (NDIC)	40.00%
3	Nigeria Sovereign Investment Authority (NSIA)	46.50%
4	Nigerian Export-Import Bank (NEXIM)	50.00%
5	Development Bank of Nigeria Plc. (DBN)	60.00%
6	Nigeria Mortgage Refinance Company (NMRC)	16.00%
7	The Infrastructure Bank (TIB)	10.31%
8	African Reinsurance Corporation (Africa Re)	8.20%

3.1.3 Financial Services sector financial overview

Financial Services Abridged Financial Statements														
S/ N	Portfolio Company	Sector classificati on	Total Assets			Total Liabilities			Equity			Net income		
			FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	% Change	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	% Change	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	% Change	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	% Change
1	African Reinsurance Corporation (Africa Re)	Financial Services	1,570.0	691.1	127.2%	555.7	230.5	141.1%	1,014.3	460.6	120.2%	82.5	25.6	222.7%
2	Bank of Industry (BOI)	Financial Services	3,912.1	2,376.0	64.6%	3,235.1	1,946.2	66.2%	676.9	429.8	57.5%	102.5	52.9	93.7%
3	Development Bank of Nigeria Plc. (DBN)	Financial Services	544.0	520.3	4.5%	308.4	305.8	0.9%	235.5	214.5	9.8%	24.5	20.1	21.5%
4	Nigeria Deposit Insurance Corporation (NDIC)	Financial Services	2,523.2	2,184.7	15.5%	1,781.6	1,527.3	16.6%	741.6	657.4	12.8%	183.4	144.5	26.9%
5	Nigeria Mortgage Refinance Company (NMRC)	Financial Services	87.4	85.7	2.0%	61.7	62.4	(1.1%)	25.7	23.2	10.5%	3.6	3.4	4.9%
6	Nigeria Sovereign Investment Authority (NSIA)	Financial Services	2,258.9	1,032.7	118.7%	36.7	16.0	129.4%	2,222.2	1,016.7	118.6%	1,185.0	102.4	1057.8%
7	Nigerian Export-Import Bank (NEXIM)	Financial Services	301.3	237.4	26.9%	214.4	188.9	13.5%	86.9	48.5	79.0%	13.2	6.2	111.7%
8	The Infrastructure Bank (TIB)	Financial Services	6,849.5	5,917.4	15.8%	8,550.0	6,391.3	33.8%	(1,700.5)	(473.9)	258.8%	(1,358.6)	(2,424.7)	(44.0%)
Total			18,046.4	13,045.4	38.3%	14,743.7	10,668.5	38.2%	3,302.7	2,376.9	38.9%	235.9	(2,070)	(111.4%)

In 2023, the Financial Services portfolio demonstrated a significant performance across various key financial metrics, highlighting significant growth in total assets, liabilities, equity, and profitability when compared to 2022.

The aggregate total assets of the portfolio increased by 38.3%, rising from ₦13,045.4 billion in 2022 to ₦18,046.4 billion in 2023. This growth was particularly driven by companies like the African Reinsurance Corporation, which saw its Naira-equivalent total assets surge by 127.2%, primarily due to translation differences. Africa Re's total assets in USD increased by 10.1%, signaling expansion and an increase in its market presence.

The aggregate total liabilities of the portfolio companies grew in tandem with the increase in assets, rising by 38.2%, from ₦10,668.5 billion in 2022 to ₦14,743.7 billion in 2023. This rise in liabilities suggests higher borrowing, as companies sought to finance their expanded operations. Companies like the Bank of Industry (BOI) and Nigerian Export-Import Bank (NEXIM) saw significant increases in liabilities, which reflect their key roles in industrial development and trade financing, respectively. TIB recorded the highest increase in liabilities at 33.8%, further exacerbating its negative equity position. Meanwhile, Nigeria Mortgage Refinance Company (NMRC) showed a slight decrease in liabilities by 1.1%, indicating more efficient debt management relative to other companies.

In terms of equity, the portfolio showed strong growth, with total equity increasing by 38.9%, from ₦2,376.9 billion in 2022 to ₦3,302.7 billion in 2023. This increase highlights the growing value of shareholder interests across the companies. NSIA was the standout performer in terms of equity growth, with an impressive 118.6% increase, reflecting its success in managing sovereign wealth and generating returns.

Net income across the portfolio saw a significant turnaround, shifting from a loss of ₦2,070.0 billion in 2022 to a profit of ₦235.9 billion in 2023. This recovery in profitability is a critical indicator of improved financial performance across the sector. NSIA experienced an exceptional increase in net income by over 1,000%, driven by strong investment returns and a well-managed portfolio. African Reinsurance also posted growth in net income, with the naira equivalent rising by 222.7%, reflecting its successful expansion and increased market penetration. BOI saw a 93.7% growth in net income, largely due to its increasing role in financing key sectors of the economy. In contrast, TIB continued to report substantial losses, although there was some improvement from the previous year, with a reduction in its net income loss from ₦2,424.66 billion in 2022 to ₦1,358.60 billion in 2023. The company's negative equity and large losses indicate an urgent need for financial restructuring and improved operational performance.



3.2

Energy

3.2.1 Energy sector overview

The global energy landscape continues to experience significant transformation as countries strive to balance the trilemma of energy security, affordability, and sustainability. In 2023, the sector was marked by new challenges and opportunities due to geopolitical tensions, climate imperatives, and technological advancements reshaping energy policies and market dynamics worldwide.

3.2.1.1 Oil and gas industry

The global energy landscape in 2023 was marked by significant geopolitical shifts, economic volatility, and technological advancements, all of which impacted oil and gas production and market dynamics. The oil and gas industry continued to be a cornerstone of the global energy supply, playing a crucial role in meeting the energy needs of both developed and developing economies.

The sector saw a resurgence in demand as economies recovered from the COVID-19 pandemic. However, supply chain disruptions and geopolitical tensions, particularly in Europe and the Middle East, led to price volatility and concerns over energy security. These factors pushed many countries to reassess their energy strategies, increasing domestic production or securing diversified sources of energy. As a major player in Africa's energy landscape, Nigeria's oil and gas industry, led by the Nigerian National Petroleum Company Limited (NNPCL), plays a vital role in the country's economic stability. The enactment of the Petroleum Industry Act (PIA) in 2021 catalyzed significant changes within NNPCL, transitioning it into a limited liability company to enhance efficiency and transparency.

In 2023, NNPCL focused on profitability, which required more strategic partnerships and investments in upstream and downstream operations. The oil and gas sector in Nigeria continues to face significant challenges, including aging infrastructure, production inefficiencies, and concerns over environmental impact. However, with the PIA's directives for improved governance and the continued exploration of public-private partnerships, there is potential for growth and resilience.

3.2.1.2 Power industry

One of the most notable global trends in 2023 was the accelerated energy transition. Global initiatives are driving electricity generation away from fossil fuels to renewables: hydro, solar and wind primarily due to the objective of achieving a net zero emission by 2050. The inflationary impact of the recent energy crisis triggered by the Russia-Ukraine war has also recently driven investments in renewable energy. As of 2022, energy generation from clean sources contributed around 50% to global energy generation.

The electricity distribution sector is a critical part of Nigeria's energy landscape, essential for delivering reliable power to millions of consumers across the nation. Following the unbundling and privatization of the Power Holding Company of Nigeria (PHCN) in 2013, electricity distribution companies (DisCos) became responsible for last-mile power delivery to residential, industrial, and commercial customers. However, the sector faces persistent challenges that limit its effectiveness and financial sustainability.

The country's current average electricity supply of around 4,000MW is significantly below estimated demand, demonstrated by the low energy consumption per capita (104.86 kWh) relative to peer countries such as South Africa (3,022.12 kWh), Kenya (150.66 kWh), Ghana (421.17 kWh).

In 2023, the electricity distribution sector in Nigeria continued to struggle with high levels of technical and non-technical losses due to outdated infrastructure, theft, and inefficient billing systems. A significant portion of consumers remains unmetered, leading to revenue losses and customer dissatisfaction. Efforts to achieve cost-reflective tariffs are ongoing, though concerns about affordability and regulatory stability persist.

Looking ahead, the future of Nigeria's energy sector depends on its ability to address these structural challenges while leveraging global trends for growth. Infrastructure development, particularly in metering and network reliability, is essential for DisCos to reduce energy losses and improve customer satisfaction.

3.2.1.3 Renewable Energy Industry

In 2023, the global renewable energy sector experienced unprecedented growth, with capacity additions reaching over 440 gigawatts (GW), marking the largest annual increase to date. This surge was driven by expanding policy support, heightened energy security concerns, and the increasing competitiveness of renewable technologies against fossil fuels. Solar energy recorded significant advancements, with projections indicating the addition of 402 GW in 2023 and nearly 800 GW by 2027.

In Nigeria, the renewable energy landscape is poised for substantial development. The International Renewable Energy Agency (IRENA) has collaborated with the Energy Commission of Nigeria to develop a Renewable Energy Roadmap, offering a long-term perspective up to 2050. This roadmap aims to integrate and scale up renewable resources, such as solar, wind, hydro, and biomass—to achieve universal energy access, energy security, and a reduction in greenhouse gas emissions. Additionally, the African Continental Free Trade Area (AfCFTA), established in 2019, is set to drive growth in Africa's energy sector by eliminating tariffs and harmonizing trade laws among member countries, thereby promoting infrastructural development in power, transportation, and telecommunications.

For Haske Solar Company Limited, these developments present both opportunities and challenges. The global expansion of solar energy underscores the importance of staying competitive and adopting innovative technologies. Locally, Nigeria's commitment to renewable energy and the supportive framework provided by AfCFTA can facilitate Haske Solar's growth and market penetration. However, the company must navigate potential challenges such as supply chain disruptions, as evidenced by global industry leaders facing impairments due to rising interest rates and market uncertainties.

By aligning its strategies with national policies and leveraging international trends, Haske Solar can position itself to benefit from the evolving renewable energy landscape.

3.2.2 Energy sector portfolio overview

Four (4) of the corporate assets being reviewed operate in the Energy sector as listed below:

Energy Sector portfolio companies		
S/N	Portfolio Company	MOFI Interest
1	Nigerian National Petroleum Company Limited (NNPCL)	50.0%
2	Abuja Electricity Distribution Company Plc (AEDC)	40.0%
3	Eko Electricity Distribution Company (EKEDC)	40.0%
4	Haske Solar Company Limited	80.0%

3.2.3 Energy sector financial overview

Abridged FY 2023 Energy Sector Aggregate Financials										
S/N	Portfolio Company	Sector classification	Total Assets		Total Liabilities		Equity		Net income	
			FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)
1	Abuja Electricity Distribution Company (AEDC)	Energy	380.8	284.1	326.3	251.1	54.5	33.1	0.4	(7.3)
2	Eko Distribution Company (EKEDC)	Energy	293.0	218.2	225.4	160.7	67.6	57.5	10.1	(0.7)
3	Haske Solar Company Limited	Energy	11.0	7.7	2.1	0.7	8.9	7.1	1.8	0.3
4	Nigerian National Petroleum Company Limited (NNPCL)	Energy	246,815.9	58,486.1	218,285.9	49,192.7	28,530.0	9,293.4	3,297.4	2,523.5
Total			247,500.8	58,996.1	218,839.8	49,605.1	28,661.0	9,391.0	3,309.7	2,515.8

Aggregate total assets: In 2023, the total assets for the sector increased to ₦247.5 trillion from ₦58.9 trillion in 2022, representing a substantial growth of 319.5%. This significant change was predominantly driven by the performance of Nigerian National Petroleum Company Limited (NNPCL), which had a significant asset base increase, contributing majorly to the aggregate rise. The growth in assets reflects investments, infrastructure expansion, and revaluation of assets within the portfolio.

Aggregate total liabilities: Total liabilities for the sector grew by 341.2%, rising from ₦49.6 trillion in 2022 to ₦218.8 trillion in 2023. NNPCL was again the major driver to this change, with its substantial increase in liabilities as a result of expanded borrowing, operational commitments, or contractual obligations. AEDC and EKEDC also contributed to the growth, but to a lesser extent.

Aggregate total equity: The total equity for 2023 stood at ₦28.7 trillion, marking a 205.3% increase from ₦9.4 trillion in 2022. This growth indicates an improvement in retained earnings and an increase in capital contributions, with NNPCL leading the surge due to its significant revaluation and retained earnings boost. This indicates better profitability and reinvestment in operations, bolstering the financial health of the company and its portfolio counterparts.

EBITDA: The combined EBITDA for the sector grew by 235.8%, from ₦1.9 trillion in 2022 to ₦6.5 trillion in 2023. This increase highlights an improvement in the core operational profitability of the companies. NNPCL was the key driver of this significant growth, contributing nearly the entirety of the increase due to improved operational efficiency and higher revenue generation. AEDC also showed substantial improvement in its EBITDA, indicating enhanced operational performance.

Net income: Net income for the sector increased by 31.6%, rising from ₦2.5 in 2022 to ₦3.3 in 2023. This increase signals better overall profitability, with NNPCL being the dominant contributor due to its robust revenue growth and efficient cost management. AEDC also saw a turnaround from a net loss in 2022 to a profit in 2023, further contributing to the positive aggregate change. In contrast, EKEDC and Haske Solar recorded an improvement in profitability but did not have as material an impact as NNPCL.



3.3

Real Estate/Housing

3.3.1 Real Estate sector overview

The global real estate and housing finance sector is a significant driver of economic growth and social stability. As of 2023, the global real estate market has shown resilience despite challenges such as inflationary pressures, economic uncertainty, and evolving housing demands. Investments in housing infrastructure, urbanization trends, and sustainable development initiatives have been focal points for many governments and financial institutions. The shift towards affordable housing solutions, coupled with green and smart building technologies, has also emerged as a critical trend, aiming to meet both environmental standards and the rising demand for housing.

In Africa, the real estate sector is marked by a growing demand for residential housing, driven by rapid urbanization, population growth, and a burgeoning middle class. However, despite the potential for expansion, challenges such as limited access to affordable financing, regulatory complexities, and infrastructure deficits persist. Governments and financial institutions are focusing on partnerships to close the housing gap, enhance affordability, and promote homeownership through sustainable housing finance solutions.

Nigeria, Africa's most populous country, faces a significant housing deficit estimated to be between 17 and 20 million units. This shortfall has underscored the need for robust investments in the Real Estate and Housing Finance sector. The Real Estate sector is pivotal for economic diversification and job creation, contributing substantially to GDP growth and social welfare.

3.3.2 Real Estate sector portfolio overview

One (1) of the companies being assessed operates in the Real Estate sector as seen in the table below.

Real Estate Portfolio Company		
S/N	Portfolio Company	MOFI Interest
1	Family Homes Fund Limited	51.0%

3.3.3 Real Estate sector financial overview

Kindly refer to **section 4 (Portfolio Companies' Review)** for detailed analysis of Family Homes Fund Limited.



3.4

Agriculture

3.4.1 Agricultural sector overview

In 2023, the global agricultural sector was marked by several key challenges and shifts driven by climate change, economic pressures, and technological advancements. Extreme weather events, including floods, droughts, and unpredictable rainfall patterns, severely impacted crop yields and food security, particularly in vulnerable regions. This was compounded by rising costs for fertilizers, labor, and transportation, as inflationary pressures escalated. While these challenges put pressure on farmers, many adopted climate-resilient practices and innovations, such as drought-tolerant crops and advanced irrigation techniques, to cope with the changing climate and sustain productivity.

At the same time, technology continued to revolutionize agriculture, with the widespread use of precision farming tools, artificial intelligence, and big data to optimize crop management. These technologies not only helped improve efficiency but also supported sustainability efforts by minimizing resource usage and reducing environmental impacts. The global push for sustainability in agriculture gained momentum in 2023, as regenerative practices and sustainable farming became more prominent. Governments and businesses increasingly focused on reducing the carbon footprint of farming and promoting practices like organic farming and soil health management.

Geopolitical tensions and trade disruptions, notably the ongoing Russia-Ukraine conflict, also significantly influenced global agricultural markets in 2023. Trade restrictions and fluctuating commodity prices, particularly in wheat and fertilizer, further destabilized supply chains, exacerbating food insecurity in many regions. Despite these setbacks, the demand for alternative proteins, such as plant-based and lab-grown meats, continued to rise, reflecting shifting consumer preferences toward sustainability and health-conscious eating.

The global agricultural shifts in 2023 also had notable impacts on key local players like the Royal Eswatini Sugar Corporation (RES). For such companies, rising input costs and shifting global sugar demand may have influenced profitability, while export-focused operations could benefit from favorable trade conditions.

3.4.1.1 Agrochemical industry

The global agrochemical market is experiencing significant growth, driven by the increasing demand for higher crop yields to feed the expanding global population. In 2023, the market was valued at approximately \$235.2 billion and is projected to reach \$282.2 billion by 2028, reflecting a compound annual growth rate (CAGR) of 3.7%.

In Nigeria, the agrochemical market is also on an upward trend. The country's fertilizer market, a significant segment of the agrochemical industry, is projected to grow at a CAGR of 4.4% between 2021 and 2026. This growth is supported by government initiatives aimed at boosting agricultural productivity and ensuring food security. A notable program is the Presidential Fertilizer Initiative (PFI), which has significantly increased local fertilizer production. In 2023, the PFI delivered over 670,000 metric tonnes of NPK fertilizer and is making substantial progress towards delivering 1,000,000 metric tonnes in the 2024 cycle. This initiative has enhanced the availability of fertilizers to Nigerian farmers, contributing to improved agricultural outputs.

The positive global and local economic outlooks for the agrochemical industry have a direct impact on the Presidential Fertilizer Initiative's NPK production. The increasing demand for fertilizers aligns with PFI-NPK's objectives, providing an opportunity to scale up production and distribution. However, challenges such as supply chain disruptions and fluctuating raw material costs require PFI-NPK to adopt adaptive strategies to maintain efficiency and meet targets.

3.4.2 Agricultural sector portfolio overview

Two (2) of the companies being assessed operates in the Agricultural sector as seen in the table below.

Agriculture Portfolio Companies		
S/N	Portfolio Company	MOFI Interest
1	Royal Eswatini Sugar Corporation	10.0%
2	PFI-NPK Limited	100.0%

3.4.3 Agricultural sector financial overview

S/N	Portfolio Company	Sector classification	Total Assets		Total Liabilities		Equity		Net income	
			FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)
1	PFI-NPK	Agriculture	114.4	130.9	88.7	114.6	25.7	16.3	9.4	11.3
2	Royal Eswatini Sugar Corporation (RESC)	Agriculture	225.0	110.7	92.0	42.0	133.0	68.7	6.3	7.5
Total			339.4	241.6	180.7	156.6	158.7	85	15.7	18.8

Assets: In FY 2023, the Agriculture portfolio experienced a notable increase in total assets, rising to 339.4 billion from ₦241.6 billion in FY 2022. This growth was predominantly driven by Royal Eswatini Sugar Corporation (RESC), which saw its assets expand to ₦225.0 billion, reflecting significant investments and improvements in its operations., Conversely, PFI-NPK's total assets dropped to ₦114.4 billion in FY 2023, primarily attributed to reduced inventory levels.

Liabilities: The portfolio's liabilities also rose in FY 2023, increasing to ₦180.7 billion from ₦156.6 billion in FY 2022. This increase was mainly due to RESC, which saw its liabilities more than double, from ₦42.0 billion in FY 2022 to ₦92.0 billion in FY 2023. This growth in liabilities reflects the company's strategy of leveraging additional debt to fund its expansion and investment initiatives. Meanwhile, PFI-NPK dropped from ₦114.6 billion in FY 2022 to ₦88.7 billion in FY 2023.

Equity: Equity in the portfolio increased substantially, driven by RESC, which reported a strong rise in equity from ₦68.7 billion in FY 2022 to ₦133.0 billion in FY 2023. This jump is indicative of the company's strong financial health and its ability to generate and retain profits, thereby enhancing its equity base. In contrast, PFI-NPK showed little change in equity, with its value growing from ₦16.3 billion in FY 2022 to ₦16.3 billion in FY 2023, This was primarily due to accumulated losses.

Net Income: The portfolio's net income showed a slight decline in FY 2023, decreasing to ₦15.7 billion from ₦18.8 billion in FY 2022. The decrease in net income was mainly due to a reduction in profitability at PFI-NPK, which recorded a net income of ₦9.4 billion in FY 2023, down from ₦11.3 billion the previous year. This suggests that while PFI-NPK remained profitable, its earnings were impacted by various external factors such as economic conditions resulting in FX exchange Loss. RESC also had a decrease in net income of ₦6.3 billion in FY 2023, down from ₦7.5 billion the previous year due to rising costs.

In summary, the agriculture portfolio exhibited significant growth in assets (₦339.4 billion in FY 2023 from ₦241.6 billion in FY 2022) and equity (₦180.7 billion in FY 2023 from ₦156.6 billion in FY 2022), driven by the strong performance by both Companies. However, total net income slightly declined to ₦ 15.7 billion, reflecting reduced profitability at both RESC and PFI-NPK.



3.5

Hospitality

3.5.1 Hospitality sector overview

The Hospitality sector rebounded significantly in 2023 as international travel resumed after COVID-19 and consumer confidence grew. Globally, hotel chains and service providers prioritized customer experience, adopting digital solutions such as contactless check-ins and enhanced online booking systems to attract more visitors. Major hotel operators reported stronger revenue growth compared to the previous year, driven by pent-up demand for leisure and business travel, supported by government efforts to rejuvenate tourism.

The global Hospitality sector continued its recovery from the COVID-19 pandemic in 2023, driven by a significant rebound in travel demand. As restrictions lifted and travelers resumed their plans, the industry witnessed a strong resurgence, particularly in the second half of the year. The rise of "revenge travel," where people made up for lost time during the pandemic, contributed to the surge in both leisure and business travel.

Sustainability became a key focal point for the Hospitality industry. Eco-conscious travelers, who increasingly seek greener and environmentally responsible accommodations, drove hotels and resorts to adopt more sustainable practices, including waste reduction, renewable energy usage, and carbon offset programs.

Technological advancements, such as contactless check-ins, mobile room keys, and smart hotel technology, became increasingly important as consumers and businesses looked for safer and more convenient experiences. However, rising inflation, geopolitical tensions, and the ongoing effects of the Russia-Ukraine conflict created challenges, with fluctuating travel patterns and an impact on disposable incomes globally. These factors led to uncertainty, especially in luxury travel.

The Hospitality sector in Africa saw a resurgence in 2023, bolstered by increased travel and tourism as pandemic-related restrictions eased. Countries invested in infrastructure and marketing campaigns to revive tourism, with particular focus on promoting eco-friendly and culturally rich experiences.

In Nigeria, Transcorp, a key player in the Hospitality sector, is poised to benefit from the recovery of both domestic and international travel. The ongoing return of foreign travelers, coupled with the growing Nigerian middle class, offers significant opportunities for increased occupancy rates at Transcorp's hotels, particularly in urban hubs like Lagos and Abuja.

The company also stands to gain from the rise in domestic tourism as Nigerians, unable to travel internationally due to economic challenges, are opting for staycations and regional travel.

However, Transcorp faces challenges posed by Nigeria's economic climate, especially rising inflation and the depreciation of the Naira. These factors could raise operational costs, particularly for imported goods and services, and make Nigeria a more expensive destination for international tourists. Additionally, currency fluctuations may discourage some high-income travelers from visiting Nigeria.

3.5.2 Hospitality sector portfolio overview

One (1) of the companies being assessed operates in the Hospitality sector as seen in the table below.

Hospitality Portfolio Company		
S/N	Portfolio Company	MOFI Interest
1	Transcorp Hotels Plc.	11.04%

3.5.3 Hospitality sector financial overview

Kindly refer to **section 4 (Portfolio Companies' Review)** for detailed analysis of Transnational Corporation hotel Plc (Transcorp)



3.6

Information & Communication Technology

3.6.1 Information and Communication Technology sector overview

In 2023, the global Information and Communications Technology (ICT) sector saw significant advancements, particularly in artificial intelligence (AI), 5G, and cloud computing. AI and machine learning enabled businesses to enhance automation, improve efficiencies, and deliver personalized services. The rollout of 5G technology accelerated, fostering the growth of the Internet of Things (IoT) and smart cities, offering faster, more reliable connectivity. At the same time, cybersecurity became a top priority due to the increase in cyber threats, while regulatory scrutiny on data privacy and digital sovereignty tightened globally. However, the sector faced ongoing challenges like supply chain disruptions, especially in critical hardware components, which impacted the availability of new technologies.

In Nigeria, the ICT sector remained a key economic driver in 2023, with strong growth in mobile broadband and digital services. The Nigerian Communications Commission (NCC) continued to push for wider broadband penetration, especially in rural areas, and mobile data consumption increased. Despite this growth, the sector faced challenges such as unreliable power supply, inadequate infrastructure, and rising cybersecurity threats. The government took steps to address these issues by introducing policies focused on improving data protection and bolstering the security of the digital economy. Additionally, the demand for skilled ICT professionals in fields like software development, cybersecurity, and data analytics increased, highlighting the need for workforce development.

For Galaxy Backbone (GBB), the expanding digital economy offered opportunities to provide more cloud services, broadband connectivity, and ICT infrastructure to government agencies and businesses. However, GBB faced infrastructure challenges, including power shortages and limited internet access in rural areas. Nigerian Communications Satellite (NigComSat) also faced a mixed year, as it continued to play a critical role in providing connectivity to underserved regions, but struggled with competition from faster, more cost-effective 5G and fiber optic networks. There is a need for GBB and NigComSat to innovate and adapt to meet the evolving ICT needs in Nigeria, while addressing the challenges posed by infrastructure gaps and technological competition.

3.6.2 ICT sector portfolio overview

Two (2) of the corporate assets being reviewed operate in the Information and Communication Technology sector as listed below:

Information and Communication Technology Portfolio Companies		
S/N	Portfolio Company	MOFI Interest
1	Galaxy Backbone	35.00%
2	Nigerian Communications Satellite (NigComSat)	99.50%

3.6.3 ICT sector financial overview

S/N	Portfolio Company	Total Assets		Total Liabilities		Equity		Net income	
		FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)	FY' 2023 (₦'Bn)	FY' 2022 (₦'Bn)
1	Galaxy backbone (GBB)	18.4	17.7	11.9	11.4	6.5	6.4	0.1	0.8
2	Nigerian Communications Satellite (NigComSat)	39.7	46.1	12.3	12.1	27.3	34.0	(7.4)	(5.6)
	Total	58.1	63.8	24.2	23.5	33.8	40.4	(7.3)	(4.8)

The ICT sector in the MOFI portfolio for FY 2023 consists of two key companies: Galaxy Backbone (GBB) and Nigerian Communications Satellite (NigComSat). The following analysis evaluates their performance across total assets, total liabilities, equity, and net income, offering insight into their contributions to the overall ICT sector and the broader MOFI portfolio.

Total Assets: In 2023, GBB's total assets stood at ₦18.4 billion, a slight increase from ₦17.7 billion in 2022, reflecting a growth of 3.9%. This shows a modest expansion in the company's asset base. NigComSat, on the other hand, experienced a decrease in total assets, which fell from ₦46.1 billion in 2022 to ₦39.7 billion in FY 2023, representing a decline of 13.8%. This decrease suggests some operational challenges during the year. Despite the decline in NigComSat's assets, the ICT sector as a whole still contributed meaningfully to the portfolio's overall asset base. However, the sector's performance was negatively impacted by NigComSat's decrease in assets.

Total Liabilities: In 2023, GBB's total liabilities amounted to ₦11.9 billion, up from ₦11.4 billion in 2022, marking a 4.4% increase. This increase in liabilities corresponds with the growth in assets and indicates that GBB has maintained a stable debt structure to support its operations. NigComSat's total liabilities rose slightly to ₦12.3 billion in 2023, compared to ₦12.1 billion in 2022, an increase of 1.7%. Despite the decline in assets, the liabilities of NigComSat remained relatively stable, suggesting limited changes in its financial obligations. The ICT sector's total liabilities reflect modest increases, with GBB contributing the majority to the overall liabilities.

Equity: In 2023, GBB's equity showed a slight increase, rising from ₦6.4 billion in 2022 to ₦6.5 billion, reflecting a 1.6% growth. This indicates a stable financial position for GBB, with equity growing in line with the modest increase in total assets. NigComSat, however, faced a decline in equity, which decreased from ₦34.0 billion in 2022 to ₦27.3 billion in 2023, a drop of 19.6%. This sharp decline in equity highlights the challenges faced by NigComSat, particularly in maintaining profitability and retaining value within the company. The ICT sector's total equity was impacted by NigComSat's poor performance, though GBB's slight increase in equity provided some positive offset. Overall, the sector's equity performance was weaker compared to the broader portfolio.

Net Income: In 2023, GBB's net income declined significantly, falling from ₦0.8 billion in FY 2022 to ₦0.1 billion in FY 2023, a sharp decrease of 87.5%. This decline suggests that GBB faced operational challenges that reduced its profitability despite a relatively stable asset and equity base. NigComSat reported a larger loss in net income, with its net loss increasing from -₦5.6 billion in FY 2022 to -₦7.4 billion in FY 2023. This worsening loss indicates that NigComSat continues to face significant financial difficulties and struggles to maintain profitability. The ICT sector's net income as a whole was negatively affected by these declines, with a total sector net loss driven primarily by NigComSat's weak performance. The overall result reflects ongoing challenges in the sector, particularly in maintaining profitable operations.



3.7

Transportation and Logistics

3.7.1 Transportation and Logistics sector overview

In 2023, the global transportation and logistics sector underwent significant transformations driven by technology, sustainability efforts, and global trade dynamics. The sector continued to focus on reducing its environmental impact, with a major push for green logistics solutions, including electric vehicles (EVs) and sustainable supply chains. Governments and businesses worldwide invested heavily in innovations like automation, Artificial Intelligence (AI), and the Internet of Things (IoT) to streamline operations, reduce costs, and improve supply chain transparency. E-commerce growth spurred a demand for faster, more efficient last-mile delivery solutions, influencing the logistics sector to embrace new technologies. Despite these advancements, the industry faced challenges like supply chain disruptions, geopolitical tensions, and labor shortages, especially in the wake of COVID-19 and the ongoing Ukraine crisis. These issues led to port congestion, trade flow disruptions, and rising transportation costs, particularly with the volatility in fuel prices. Nevertheless, the sector remained resilient, with companies adapting to new market conditions by embracing digital solutions and reconfiguring their logistics networks to cope with economic uncertainties and sustainability pressures.

In Nigeria, the Transportation and Logistics sector showed progress in 2023, driven by the government's investments in infrastructure, including road networks, port modernization, and rail system expansion. However, the sector still faced challenges like poor road conditions, insecurity, and infrastructure deficits, which hindered the efficiency of goods and passenger movement. The government focused on enhancing infrastructure, particularly with ongoing rail projects, including the Lagos-Ibadan and Abuja-Kaduna lines, while the rise in road transportation costs due to fuel price hikes pushed more freight transport towards rail. Digital platforms in logistics also gained prominence, with ride-hailing services and freight management apps offering more efficient alternatives to traditional transportation methods. Despite improvements, the sector struggled with poor road networks, high transportation costs, and security issues, which contributed to inefficiencies in the movement of goods across the country. Efforts to enhance connectivity and modernize infrastructure through public-private partnerships helped the sector make incremental progress but did not fully address the deep-rooted challenges that continued to affect its performance.

The Nigerian Railway Corporation (NRC) faced a mixed year in 2023, benefitting from government initiatives aimed at modernizing the railway system but also contending with persistent challenges. Significant projects, such as the expansion of the Lagos-Ibadan and Abuja-Kaduna rail lines, provided opportunities for the NRC to improve services, particularly for freight transport, which became more attractive due to rising road transport costs and security concerns. However, the NRC also faced setbacks, including delays in the completion of key projects and ongoing security issues along rail routes, such as kidnappings and sabotage, which undermined the safety and reliability of the services. Despite these challenges, the NRC continued to invest in modern trains and infrastructure improvements, such as new stations and facilities, in an effort to strengthen its role in Nigeria's transportation network. The corporation also focused on increasing freight capacity and improving the overall quality of rail services to cater to growing demand. As the government continued its focus on rail development, the NRC's ability to tackle security concerns and complete key projects would be essential for fully realizing the potential of the rail system in contributing to Nigeria's economic growth.

3.7.2 Transportation and Logistics sector portfolio overview

One (1) of the companies being assessed operates in the Transportation sector as seen in the table below:

Transportation Portfolio Company		
S/N	Portfolio Company	MOFI Interest
1	Nigerian Railway Corporation	100.00%

3.7.3 Transportation and Logistics sector financial overview

Kindly refer to **section 4 (Portfolio Companies' Review)** for detailed analysis of the Nigerian Railway Corporation (NRC).



3.8

Health

3.8.1 Health sector overview

The global health sector in 2023 faces a dual challenge of navigating rising operational complexities and leveraging technological advancements. Significant strides are being made in digital healthcare solutions, such as telehealth and artificial intelligence, enabling a shift from reactive care to proactive prevention. However, the sector is contending with persistent challenges, including inflation-driven cost increases, talent shortages, and supply chain disruptions, which are placing additional pressure on healthcare providers. Despite these hurdles, the emphasis on patient-centered care and outcome-driven innovation remains central, with providers adopting new care delivery models, such as hospital-at-home programs and remote monitoring, to improve access and efficiency. Investments in workforce resilience, digital infrastructure, and operational efficiency are critical priorities as global healthcare expenditures continue to rise.

A notable example of this is the expansion of remote monitoring programs in the United States, where large hospital networks like the Mayo Clinic have implemented digital solutions to monitor patients with chronic illnesses remotely, reducing hospital re-admissions. Similarly, in Europe, the NHS in the UK has increased investment in telehealth platforms, enabling virtual consultations that have proven critical in reducing wait times and improving access for rural populations. However, smaller providers are struggling to match this innovation pace, especially in regions where financial constraints and limited digital literacy hinder adoption.

Nigeria's Health sector reflects the broader global trends of increasing demand and operational challenges but is uniquely shaped by domestic conditions. Despite advancements in telehealth and mobile health technologies, access to quality care remains constrained by insufficient infrastructure, workforce shortages, and inconsistent government funding. Rising healthcare costs and inflation further compound the difficulties faced by providers, with many struggling to maintain operational sustainability. However, opportunities exist in leveraging Nigeria's growing digital ecosystem to expand access to care and improve health outcomes. Addressing critical bottlenecks, such as regulatory reforms, public-private partnerships, and workforce training, will be pivotal for driving resilience and achieving long-term growth in the sector.

For instance, the Lagos State Health Insurance Scheme (LSHS) has made significant progress in increasing access to healthcare for underserved populations, leveraging technology to streamline enrollment and claims processing. Additionally, platforms like Helium Health have introduced digital health record systems in private and public hospitals, enhancing efficiency and patient management. However, challenges persist, as rural areas face severe shortages of healthcare professionals and facilities, with states in the northeast particularly affected by insecurity and limited infrastructure, underlining the need for targeted policy interventions and investment.

Biovaccines Nigeria Limited, as a key player in Nigeria's Health sector, stands to be significantly impacted by the evolving dynamics of the industry. The increasing focus on digital health and patient-centered care offers the company opportunities to streamline its vaccine distribution and monitoring processes using digital solutions.

3.8.2 Health sector portfolio overview

One (1) of the companies being assessed operates in the Health sector as seen in the table below:

Health Portfolio Company		
S/N	Portfolio Company	MOFI Interest
1	Bio Vaccines Nigeria Limited	49.00%

3.8.3 Health sector financial overview

Kindly refer to **section 4 (Portfolio Companies' Review)** for detailed analysis of the Bio Vaccines Nigeria Limited.



4.0 PORTFOLIO COMPANIES' REVIEW

Company Name: Abuja Electricity Distribution Company Plc (AEDC)

Primary Industry: Power

Establishment Date: November 2005

Company Address: 1 Ziguinchor Street, Off IBB Way Wuse Zone 4, Abuja

Website: www.abujaelectricity.com/

RC Number: 638681

Overview of activities

Abuja Electricity Distribution Plc is a public liability company incorporated on 8 November 2005 to take over as a going concern, the electricity distribution activities and related business of the Power Holding Company of Nigeria Plc (PHCN) in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States.

The Company supplies electricity within the captive regions above based on a license granted to it by the Nigerian Electricity Regulatory Commission (NERC). The license is for a period of 15 years and expires in 2028 with an option to renew for another 10 years. Based on the terms and conditions of the license and regulations as contained in the Electrical Power Sector Reform Act (EPSRA) 2005. The business activities of the Company are regulated by Nigerian Electricity Regulatory Commission (NERC), which sets out the Electricity Market Rules to ensure efficiency, stability and reliability in the supply of electricity in Nigeria.

2023 Key events

- **Tariff Shortfall:** During the year, AEDC was awarded a tariff shortfall of ₦70.57 billion for 2023, significantly higher than the ₦8.05 billion recognized in 2022.
- **Shareholding Changes:** In May 2023, Jeolan International Limited, led by Transcorp Group, acquired a 60% controlling stake in AEDC, replacing United Capital Trustees Limited (UCTL) as the controlling shareholder.

- **Continued CBN Support:** AEDC continued to benefit from the Central Bank of Nigeria's Nigerian Electricity Market Stabilisation Fund (NEMSF), drawing down an additional ₦6.49 billion in 2023 to improve its capital expenditures and enhance transmission infrastructure.

Dividend Declared

N/A

Public policy objectives

The Company's objectives are primarily aimed at enhancing electricity supply in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States. These objectives encompass ensuring efficient and reliable electricity distribution by optimizing the network to reduce losses and outages, complying fully with regulations set by the Nigerian Electricity Regulatory Commission, supporting national energy goals by expanding access to electricity and aligning with government initiatives, improving customer service by promptly addressing complaints and enhancing service quality, investing in infrastructure upgrades and adopting new technologies for increased efficiency, and maintaining transparency and accountability through regular performance reporting and stakeholder engagement.

Industry overview

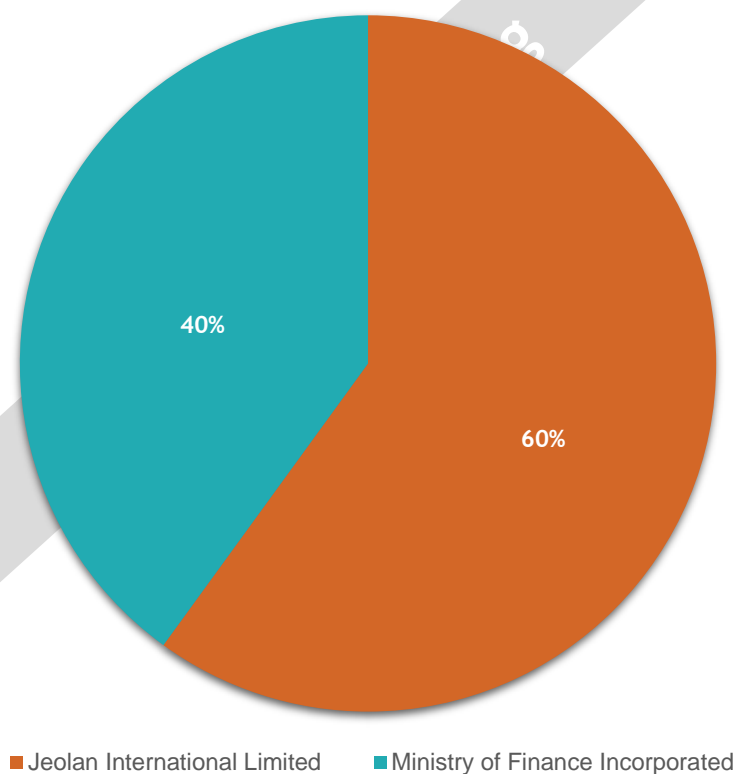
The power industry in Nigeria is a crucial component of the nation's Energy industry, responsible for delivering electricity from the transmission network to end-users across various regions. Following the unbundling and privatization of the Power Holding Company of Nigeria (PHCN) in 2013, the industry was restructured into 11 distribution companies (DisCos), each assigned specific geographical areas. The Nigerian Electricity Regulatory Commission (NERC) oversees the operations of the DisCos, setting tariffs, establishing performance standards, and ensuring compliance with the Electricity Market Rules.

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Dr. Stanley Lawson	Chairman
2	Dr. (Mrs) Owen Omogiafo, OON	Non-Executive Director
3	Dr. Abubakar Tambuwal Atiku	Non-Executive Director
4	Mr. Chiugo Ndubisi	Non-Executive Director
5	Mr. Christopher Ezeafulukwe	Non-Executive Director
6	Mr. Chijioke Okwukenye	Ag. Managing Director/CEO
7	Mr. Ayodeji Ariyo Gbeleyi	Non-Executive Director DG (BPE)
8	Hajiya Sutura Aisha Bello	Alternate to DG BPE

Company Shareholding Composition



Income Statement

In millions of Naira	2023	2022
Revenue	250,549	148,882
Cost of sales	(256,277)	(143,113)
Gross (loss) profit	(5,728)	5,769
Other income	8,098	25,970
Net impairment losses on financial assets	39,545	(1,131)
Operating expenses	(21,722)	(22,476)
Operating Profit/(loss)	20,194	8,133
Finance income	222	373
Finance Cost	(18,760)	(15,095)
Net finance cost	(18,539)	(14,723)
Profit/(loss) before taxation	1,655	(6,590)
Minimum tax	(1,257)	(747)
Taxation	(0)	-
Profit/(loss) for the year	398	(7,337)
Other comprehensive income		
Remeasurements gain on defined benefit obligations	60	108
Revaluation surplus on land and building	21,032	-
Other comprehensive income, net of taxes	21,092	108
Total comprehensive Profit/(loss) for the year	21,490	(7,229)

Source: Abuja Electricity Distribution Company 2023 Audited accounts

Profitability	2023	2022	%Δ
Gross profit margin (GPM)	(2.3%)	3.9%	(159.0%)
Operating profit margin	8.1%	5.5%	47.5%
Net profit margin	0.2%	(4.9%)	(103.2%)

Revenue

The company's revenue experienced a substantial increase of 68.3%, growing from ₦148.9 billion in 2022 to ₦250.6 billion in 2023. This significant growth is primarily attributed to improved billing and collection, strategic market expansion, and the effective implementation of marketing initiatives. This positive development demonstrates the company's capacity to capitalize on market opportunities and drive revenue growth.

Cost of Sales

While the company achieved significant revenue growth, the cost of sales increased at a significantly faster pace, rising by 79.1% from ₦143.1 billion to ₦256.3 billion. This disproportionate increase in costs resulted in a gross loss of ₦5.7 billion in 2023, compared to a gross profit of ₦5.8 billion in 2022. The factors contributing to this alarming rise in costs likely include increased expenses for energy procurement, operational inefficiencies, inflationary pressures, and supply chain disruptions. Addressing these challenges is critical to ensure the company's long-term financial sustainability and profitability within the electricity distribution sector.

Operating Profit

Despite incurring a gross loss, the company achieved a significant turnaround in its financial performance, transitioning from an operating loss of ₦8.1 billion in 2022 to an operating profit of ₦20.2 billion in 2023. This improvement was primarily driven by non-recurring impairment gains, which offset the negative impact of increased operating expenses and a decrease in other income.

Profit for the Year

The company's financial performance further strengthened, resulting in a net profit of ₦398.2 million in 2023, compared to a net loss of ₦7.3 billion in 2022. This significant turnaround is attributable to the positive impact of the improved operating profit. However, it is important to acknowledge that increased finance costs and a decrease in tax benefits partially offset these gains, moderating the overall financial improvement.

Balance Sheet		
In millions of Naira	2023	2022
Assets		
Non-current assets		
Property, plant and equipment	210,729	186,385
Right-of-use assets	169	198
Intangible assets	642	698
Total Non-Current Assets	211,540	187,280
Current Assets		
Inventories	441	335
Trade and other receivables	154,117	88,509
Prepayments	3,632	198
Cash and Cash equivalents	11,077	7,804
Total Current Assets	169,267	96,846
Total assets	380,807	284,126
Liabilities		
Non-current liabilities		
Borrowings	29,795	27,845
Lease liabilities	471	494
Long term employment benefit	1,058	831
Deferred income	12,997	14,164
Total Non-Current Liabilities	44,322	43,335
Current Liabilities		
Trade and other payables	256,695	181,703
Borrowings	15,050	17,837
Lease liabilities	73	119
Long term employment benefit	-	115
Contract liabilities	2,350	1,686
Deferred income	2,817	2,580
Current tax payable	4,592	3,335
Provisions	361	361
Total Current Liabilities	281,939	207,735
Total Liabilities	326,260	251,069
Equity		
Share capital	15	15
Retained earnings/losses	(65,652)	(66,110)
Revaluation reserve	120,183	99,151
Total Equity	54,546	33,056
Total Liabilities and Equity	380,807	284,126

Source: Abuja Electricity Distribution Company 2023 Audited accounts

Total Assets increased significantly from ₦284.1 billion in 2022 to ₦380.8 billion in 2023, indicating a robust growth in the company's asset base by 34%.

Current Assets saw a surge of 75%, which is largely attributed to a substantial increase in **Trade and Other Receivables** from ₦88.5 billion in 2022 to ₦154.1 billion in 2023.

Non-current Assets also saw an increase, albeit at a slower pace of 12.9%, from ₦187.3 billion in 2022 to ₦211.5 billion in 2023. This was mainly due to a 13% increase in **Property, Plant, and Equipment**.

Efficiency / Working Capital	2023	2022	%Δ
Receivable turnover	1.63x	1.68x	(3.0%)
Payable turnover	1.00x	0.79x	26.6%
Liquidity			
Current ratio	60.0%	46.6%	28.8%
Quick ratio	59.9%	46.5%	28.9%
Cash ratio	3.9%	3.8%	4.6%
Leverage			
Total liabilities to Equity Ratio	598.1%	759.5%	(21.2%)
Total liabilities to total assets	85.7%	88.4%	(3.0%)
Equity to total asset	14.3%	11.6%	23.1%
Interest coverage ratio	107.6%	53.9%	99.8%
Cashflow metrics			
CapEx to Operating Cash Flow Ratio	13.42x	(14.75x)	(191.0%)
Cashflow margin	6.3%	(8.5%)	(173.8%)

Return on Average Assets (RoA) improved from (2.64%) in 2022 to 0.12% in 2023, indicating a better utilization of assets to generate profits. Similarly, the **Asset turnover ratio** increased from 0.54x in 2022 to 0.75x in 2023, indicating improved efficiency in using assets to generate sales.

The Cash Ratio remained stable at 4%, indicating the AEDC's cash position relative to its liabilities hasn't significantly changed.

Total Liabilities increased from ₦251 billion in 2022 to ₦326.2 billion in 2023, a 30% increase, primarily due to a significant rise in Current Liabilities, especially Trade and other payables. This suggests a reliance on credit and the need for careful management of supplier relationships.

Total Equity improved from ₦33 billion in 2022 to ₦54.5 billion in 2023, reflecting better retained earnings and an increase in the Revaluation reserve.

Return on Average Equity (RoAE) saw a significant improvement from (20.01%) in 2022 to 0.91% in 2023, reflecting a better return on the equity invested by shareholders.

Similarly, the **Total Liabilities to Total Assets Ratio** decreased, and the **Equity to Total Asset Ratio** increased, indicating a stronger financial structure with a better balance between debt and equity.

Company Name: The African Reinsurance Corporation (Africa Re)

Primary Industry: Insurance and Reinsurance

Establishment Date: 24 February 1976

Company Address : Plot 1679, Karimu Kotun Street, Victoria Island, Lagos, Nigeria

Website: www.africa-re.com

RC Number: N/A

Overview of Activities

The African Reinsurance Corporation (Africa Re) was established by a multilateral Agreement as a pan-African intergovernmental reinsurance group on 24 February 1976 by 36 member States of the Organization of African Unity (now African Union) and the African Development Bank Group (AfDB).

2023 Key events

- The Corporation recorded an IFRS 17 net combined ratio of 85.8% (2022: 89.6%), outperforming global benchmarks from Gallagher Re (89%) and Aon (89.9%).
- Achieved a historic net profit of US\$ 127 million, reflecting a 112% increase over the restated 2022 result (US\$ 59.9 million). Return on average equity (RoAE) of 12.3% (2022: 6%).
- The Corporation faced a combined gross exposure of US\$ 40 million from Natural catastrophe exposure, specifically earthquakes in Turkey and Morocco, with 75% of the risk retained after retrocession protection.

Public policy objectives

Africa Re's policy objectives focus on promoting financial stability, enhancing disaster risk preparedness, and driving sustainable growth in the African insurance and reinsurance sectors. The company prioritizes strong underwriting discipline and capacity building in local markets. By fostering public-private partnerships and investing in African financial markets, Africa Re supports economic resilience, disaster risk mitigation, and sustainable development across the continent.

Dividend Declared

A dividend of US\$ 10 per share was proposed for consideration by the General Assembly, reflecting strong capital buffers.

Industry overview

The Reinsurance industry is vital for managing large-scale risks, ensuring stability for insurers in the face of natural disasters, pandemics, and economic shifts. Dominated by major players like Munich Re and Swiss Re, the industry faces challenges from rising catastrophic risks and regulatory pressures. In Africa, the sector is growing, led by firms like Africa Re and Kenya Re, despite hurdles such as low insurance penetration and currency volatility. Both globally and in Africa, reinsurers are enhancing risk management through advanced analytics and improved underwriting,

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Dr Mohamed Ahmed Maait	Chairman: Egypt Independent Director/Vice Chairman
2	Mr Bakary Kamara	
3	Mrs Faouzia Zaaboul	Director: Morocco
4	Mr Belay Tulu	Director: East and Southern Africa and Sudan
5	Mr Maurice Matanga	Director: Francophone West and Central Africa
6	Mr Kamel Marami	Director: Algeria
7	Mr Arthur Nathaniel Yaskey	Director: Anglophone West Africa, East and Southern Africa
8	Mr Hafed Mohamed Omran	Director: Libya, Mauritania and Tunisia
9	Mr Olorundare Sunday Thomas	Director: Nigeria
10	Mr Joseph Vincent	Director: African Development Bank (AfDB)
11	Mr Hassan El Shabrawishi	Director: AXA Africa Holding
12	Mr Jean Cloutier	Director: Fairfax
13	Mrs Delphine Traore	Director: Sanlam Allianz Proprietary Limited
14	Mr Moustapha Coulibaly	Independent Director

Consolidated Income Statement and Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income

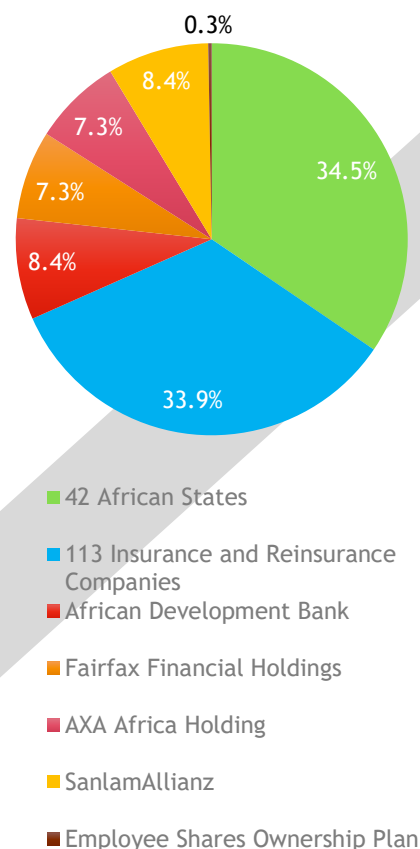
USD in Thousands

	2023	2022
Reinsurance Revenue	1,045,516	917,112
Less: Reinsurance Service Expense	(786,053)	(768,428)
Reinsurance Service Result Before Retrocession Contracts Held	259,463	148,684
Allocation of Retrocession Premiums	(165,965)	(147,219)
Amounts Recoverable from Retrocession for Incurred Claims	31,880	78,359
Net Expenses from Retrocession Contracts Held	(134,086)	(68,860)
Reinsurance Service Result	125,378	79,824
Reinsurance Finance (expense)/Income from reinsurance contracts issued	(59,523)	24,155
Retrocession Finance (expense)/income for retrocession contracts Held	9,399	(4,719)
Net Reinsurance finance (expense)/income	(50,124)	19,435
Interest on deposits retained by ceding companies	2,277	2,125
Investment and Other Income	71,289	9,937
Net Foreign Exchange Gain/(Loss)	1,358	(29,851)
Other Expenses	(22,332)	(21,060)
Profit Before Tax	127,846	60,412
Income Tax Change	(892)	(539)
Profit for the year	126,955	59,873
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	(35,033)	(10,570)
Net fair value gain on revaluation of available-for-sale financial assets	(1,230)	2,961
Total other comprehensive (Loss)/Gain	(36,262)	(7,609)
Total comprehensive income for the year	90,694	52,264

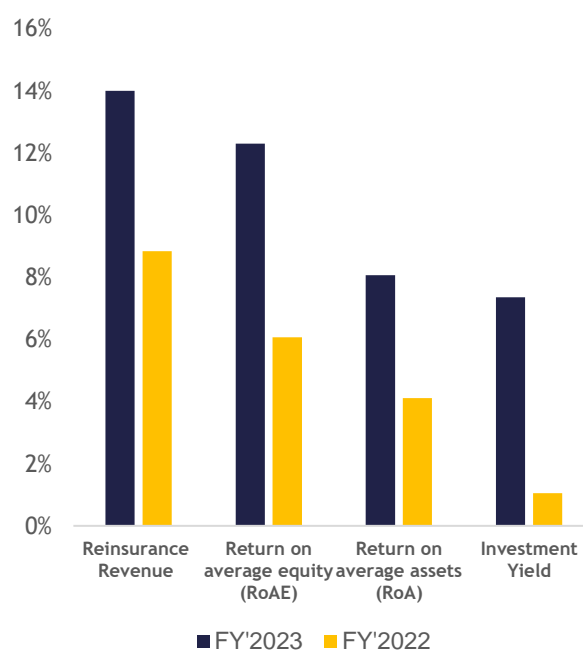
Source: Africa Re 2023 Audited accounts

Key indicators	2023	2022	% Δ Growth
Profit before tax (PBT) growth	111.6%	47.6%	134.3%
Profit for the year growth	112.0%	54.2%	106.6%
Return on average equity (RoAE)	12.3%	6.1%	102.5%
Return on average assets (RoA)	8.1%	4.1%	95.9%
Investment Yield	7.4%	1.1%	597.1%

Company Shareholding Composition



Key Metrics



Consolidated Statement of Financial Position

<i>USD in Thousands</i>	2023	2022
Assets		
Cash and cash equivalents	437,033	378,950
Investments	1,000,609	937,744
Retrocession Contract Assets	107,650	71,280
Sundry receivables	44,470	49,665
Tax recoverable	1,370	1,233
Investment properties	17,896	18,378
Property and equipment	35,339	35,155
Intangible assets	5,175	6,490
Total assets	1,649,543	1,498,895
Liabilities		
Sundry payables	20,845	19,141
Dividend payable	13,828	15,506
Deferred tax	412	650
Reinsurance Contract Liabilities	548,767	464,612
Total liabilities	583,852	499,909
Shareholders' funds		
Retained earnings	237,965	201,162
Other reserves	322,507	294,293
Share premium	218,037	217,170
Share capital	287,181	286,361
Total shareholders' funds	1,065,691	998,986
Total liabilities and shareholders' equity	1,649,543	1,498,895

Source: Africa Re 2023 Audited accounts

Revenue Growth - Africa Re achieved USD 1,045.5 million in reinsurance revenue for 2023, reflecting a growth of 14.01% compared to USD 917.1 million in 2022. This growth was driven by the company's ability to secure business in a competitive market despite local currency volatility.

Reinsurance Service Expense - Reinsurance service expense was USD 786.05 million in 2023, a marginal increase of 2.3% from USD 768.4 million in 2022. Despite this increase, the company maintained strong control over claims and other service-related costs.

Net Expenses from Retrocession Contracts Held - Net expenses related to retrocession contracts increased from USD 68.9 million in 2022 to USD 134.1 million in 2023, a significant rise of 94.7%, highlighting the increased cost of retrocession to cover exposures like natural disasters.

Investment and Other Income - A standout performance with USD 71.3 million in 2023 compared to USD 9.9 million in 2022, representing a growth of 617.4%. This was driven by favorable equity market returns and reinvestment strategies.

Profit Before Tax (PBT) - Profit before tax jumped by 111.5%, reaching USD 127.8 million in 2023 from USD 60.4 million in 2022, showcasing the company's ability to manage both underwriting and investment portfolios effectively.

Profit for the Year: Net profit after tax more than doubled, increasing by 112.1% to USD 127 million in 2023 from USD 59.9 million in 2022, driven by better investment returns and a controlled claims environment.

Total Assets Growth: Africa Re's total assets increased from USD 1.5 billion in 2022 to USD 1.7 billion in 2023, reflecting a 10.1% growth, driven by an increase in investments and cash equivalents.

Cash and Liquidity: Cash grew by 15.3%, reaching USD 437 million in 2023, up from USD 379.0 million in 2022, reflecting strong operational cash flow and disciplined financial management.

Investments: Investments rose by 6.7%, from USD 937.7 million in 2022 to USD 1.0 billion in 2023, driven by favorable market conditions and strategic portfolio adjustments.

Reinsurance Contract Liabilities: Liabilities under reinsurance contracts grew by 18.1%, reaching USD 548.8 million in 2023 from USD 464.6 million in 2022, reflecting higher claims reserves and retrocession-related obligations.

Total Shareholders' Equity: Shareholders' equity increased by 6.7%, from USD 999 million in 2022 to USD 1.1 billion in 2023, driven by retained earnings and overall profitability.

Company Name: Bank of Industry

Primary Industry: Financial Services (Development Financial Institutions)

Establishment Date: January 1964

Company Address: BOI House, 23 Marina Street, Lagos

Website: www.boi.ng

RC Number: N/A

Overview of activities

The Bank of Industry (BOI) is a government-owned development finance bank with a mandate to promote industrialization and economic development through the provision of financial and advisory support services towards the establishment of large, medium and small enterprises as well as expansion, diversification and modernization of existing enterprises and rehabilitation of ailing industries.

The principal mission of the BOI is to transform Nigeria's industrial sector by providing financial & advisory support services to enterprises.

2023 Key events

- Federal Government Presidential Conditional Grant Scheme (PCGS) rolls out to empower Nano businesses across Nigeria.
- BOI set to disburse N200bn to support businesses across the country.
- Federal Government launches Expanded MSME Clinics in Benue State.

Dividend Declared

The proposed final dividend was **N0.07k** per share (2022: dividend of N0.11K per share) from the retained earnings account as of 31 December 2023.

Public policy objectives

The Company's objective is to support the country's economic development and industrialization agenda. Some of its key public policy objectives include the promotion of industrial growth, support for Small and Medium Enterprises (SMEs), encouragement of local content, facilitation of export-oriented industries, environmental sustainability, job creation, financial inclusion, and economic diversification.

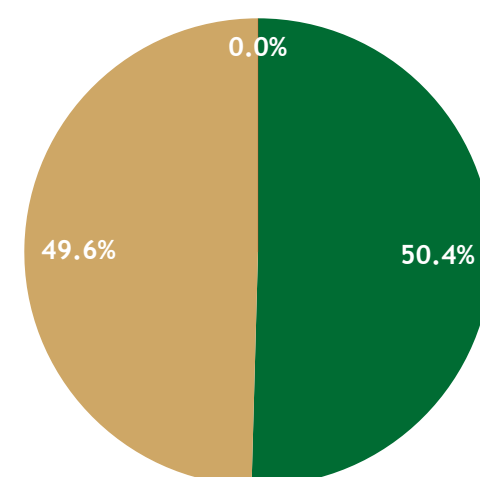
Industry overview

Development Financial Institutions (DFIs) are a key component of Nigeria's broader development strategy, particularly in addressing the country's infrastructure deficit, promoting industrialization, and supporting small and medium-sized enterprises (SMEs) that are vital to job creation and poverty reduction. Unlike commercial banks that focus on short-term profitability and are often reluctant to lend to high-risk sectors, DFIs operate with a developmental mandate, making them more willing to take on projects with higher social and economic impact but lower immediate financial returns.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Mallam Muhammad Bala	Chairman
2	Dr. Olasupo Olusi	Managing Director/CEO
3	Mr. Simon Aranonu	Executive Director
4	Mr. Shekarau Omar	Executive Director
5	Mr. Usen Effiong	Executive Director
6	Ms. Mabel Ndagi	Executive Director
7	Rev. Isaac Adefemi Agoye	Non-Executive Director
8	Mr. Tajudeen Datti Ahmed	Non-Executive Director
9	Mr. Adedamola Olufemi Young	Non-Executive Director

Company Shareholding Composition



■ Ministry of Finance ■ Central Bank of Nigeria (CBN) ■ 42 Other Nigerians

Income Statement

	2023	2022
	N'000	N'000
Gross Earnings	374,808,954	212,955,386
Interest income	286,641,629	212,955,337
Interest expense	(144,273,943)	(83,051,553)
Net Interest Income	142,367,686	129,903,784
Fee and commission income	6,786,380	6,808,035
Fees and commission expense	(10,976,814)	(7,483,636)
Net fees and commission expense	(4,190,434)	(675,601)
Net gain/(loss) from financial instruments measured at fair value	1,379,995,575	(15,456,405)
Other (loss)/income	(1,298,614,630)	8,648,419
Share of loss of equity-accounted investee	0	(205,500)
Other operating income/(loss)	81,380,945	(7,013,486)
Total operating income	219,558,197	122,214,697
Impairment charges	(170,813)	(4,345,662)
Net operating income	219,387,384	117,869,035
Staff cost	(24,920,755)	(20,409,348)
Depreciation and amortization	(4,290,231)	(3,243,463)
Other operating expenses	(34,544,546)	(22,227,364)
Total operating expense	(63,755,532)	(45,880,175)
Profit before tax	155,631,852	71,988,860
Taxation	(53,174,910)	(19,085,225)
Profit for the year	102,456,942	52,903,635
Profit attributable to:		
Owners of the Bank	102,448,576	52,893,604
Non-controlling interest	8,366	10,031
	102,456,942	52,903,635
Basic earnings per share (kobo)	86	72
Other comprehensive income:		
Items that will not be reclassified into profit or loss		
Fair value gain/(loss) on equity instrument at FVOCI	8,549,938	(59,264)
Remeasurement of defined benefit obligation	30,632	43,639
Taxes relating to components of OCI	(12,405)	(14,182)
Other comprehensive income/(loss) for the year net of tax	8,568,165	29,807
Total comprehensive income for the year net of tax	111,025,107	52,873,828
Total comprehensive income attributable to:		
Owners of the Bank	111,016,741	52,863,797
Non-controlling interest	8,366	10,031
	111,025,107	52,873,828

Key indicators	2023	2022	%Δ
Profit before tax (PBT) growth	116.2%	15.6%	645.3%
Net interest income growth	9.6%	10.1%	(5.2%)
Net interest margin (NIM)	5.1%	6.5%	(21.8%)
Cost to income ratio (CIR)	29.1%	41.1%	(29.2%)

Source: BOI 2023 Audited Accounts

Revenue Growth: BOI's gross earnings increased to ₦374.8 billion in 2023 from ₦212.9 billion in 2022, reflecting a substantial increase of 76%.

Net Interest Income: The upward trend in gross earnings is mirrored in interest income, which rose to ₦286.6 billion, a 34.6% increase from ₦212.9 billion. The consistent growth in both gross earnings and interest income suggests that the bank's efforts to promote industrialization and economic development are translating into higher revenue generation. **Net interest income** grew by 9.6% to ₦129.9 billion.

Operating Performance

Net operating income surged by 86.1% to ₦219.4 billion, indicating enhanced revenue generation capabilities. Total expenses however increased by about 39% to ₦63.7 billion, as there was a rise in other expenses by 55%, depreciation and amortization by 32%, and staff costs by 22% - all of which signal potential investment in human resources and operational capabilities, which could drive future growth.

The **cost-to-income ratio**, improved notably from 41.1% to 29.1%. This suggests that BOI has become more efficient in managing its operating expenses relative to its income, which is a positive indicator for overall financial health.

Profitability

Overall, BOI's profitability metrics experienced improvements. **Profit before tax** increased significantly to ₦155.6 billion, up from ₦71.9 billion, reflecting a solid growth rate of 116.91% compared to 15.6% in the previous period. This impressive growth suggests that the BOI has effectively managed its operations.

Similarly, **profit for the year** rose to ₦102.4 billion from ₦52.9 billion, signifying a 93.7% growth. This jump in net profit indicates a strong overall performance.

Despite the significant increment in the profitability metrics and significantly lowered impairment charges, the **net profit margin** slightly increased from 24.84% to 27.34%, due to higher operating expenses which grew by 39%.

Statement of Financial Position

	2023	2022
	N'000	N'000
Assets		
Cash and cash equivalents	30,938,657	19,586,744
Fixed deposits	489,279,634	176,300,834
Derivative asset	582,161,663	0
Investment in debt securities	1,592,084,064	1,315,068,424
Advances under finance lease	298,299	81,765
Loans and advances	1,139,482,461	805,456,300
Equity securities	19,374,134	9,315,228
Investment in associates	2,829,609	2,829,609
Investment in subsidiaries	0	0
Other assets	14,896,567	10,921,747
Intangible assets	562,434	520,761
Property and equipment	15,798,518	32,173,872
Investment property	23,535,373	3,748,062
Right-of-use-assets	0	20,136
Employee Benefit	840,032	0
Total Assets	3,912,081,446	2,376,023,482
Liabilities		
Derivative liability	0	109,630
Tax payable	30,131,374	22,100,229
Borrowings	2,635,034,577	1,719,617,570
Employee Benefit	0	466,430
Deferred tax liabilities	29,931,020	2,141,753
Other liabilities	535,046,838	201,758,987
Deposit for shares	5,000,000	0
Total Liabilities	3,235,143,809	1,946,194,599
Equity		
Capital and Reserves		
Share capital	306,747,632	147,371,321
Retained earnings	179,180,456	118,716,403
Statutory reserve	129,210,416	98,245,236
Regulatory risk reserves	24,118,731	21,392,054
Actuarial reserve	623,079	604,852
SME reserve	30,000,000	30,000,000
Fair value reserve	6,048,011	(2,501,927)
Business combinations under common control	919,899	919,899
Deposit for shares	0	15,000,000
Total equity attributable to owners of the bank	676,848,224	429,747,837
Non-controlling interest	89,413	81,046
Total Equity	676,937,637	429,828,883
Total Liabilities and Equity	3,912,081,446	2,376,023,482

Source: BOI 2023 Audited Accounts

BOI's **total assets** grew by 64.6%, from ₦2,376 billion in 2022 to ₦3,912 billion in 2023. This growth in assets reflects a strong expansion of the bank's balance sheet which are attributable to an increase in loan disbursements, acquisition of investments properties, investment in fixed deposits, amongst others. The increase in assets is a positive sign that the bank is scaling up its capacity to support economic development.

The **Return on Assets (RoA)** also increased to 3.3% from 2.6%, indicating effective management of total assets to generate profit.

Cash and Cash Equivalents saw a notable ₦11.3 billion rise to ₦30.9 billion in 2023 from ₦19.6 billion in 2022. This growth of 58% suggests an increase in liquidity and the bank's ability to cover short-term obligations or invest in immediate opportunities.

In boosting its liquid assets, there was a growth in **loans and advances** by 41.4%, from ₦805.4 billion. This growth is indicative of the bank's commitment to lending, which is in line with its mandate to provide financial support to industrial sectors. The growth in loans and advances further suggests that there is a higher demand for financing from businesses and that the BOI is actively meeting this demand to stimulate economic growth.

Investment in debt securities also grew by 21.1% to ₦1,592 billion, up from ₦1,315 billion, suggesting that the bank has expanded its investment portfolio, which could provide a stable income stream and diversification of assets. BOI's **yield on earning assets** slightly decreased from 10.7% to 10.3%, indicating a small reduction in the average interest rate earned on assets such as loans and investments.

Key indicators	2023	2022	%Δ
Efficiency			
Return on average equity (RoAE)	18.5%	13.0%	42.6%
Return on average assets (RoA)	3.3%	2.6%	25.9%
Yield on earning assets (YoA)	10.3%	10.7%	(4.0%)
Average cost of fund (CoF)	6.6%	5.8%	13.5%
Asset Quality			
Non-performing loan (NPL) ratio	2.0%	3.8%	(48.0%)
Loans and advances growth	41.5%	3.2%	1195.8%
Loan to funding ratio	43.2%	46.8%	(7.7%)
Cost of risk (CoR)	1.4%	2.3%	(41.1%)
Liquidity			
Capital adequacy ratio (CAR)	46.2%	47.7%	(3.2%)
Cash to total assets ratio	0.8%	0.8%	(4.1%)
Debt (Total Liabilities)			
Total liabilities to equity	4.8x	4.5x	5.6%
Total liabilities to total assets	82.7%	81.9%	1.0%
Equity to total asset	17.3%	18.1%	(4.4%)

Source: BOI 2023 Audited Accounts

Property and equipment saw a significant decrease of 50.9% in property and equipment. This could be due to asset disposals, depreciation, or a strategic shift away from investing in physical assets.

Total liabilities grew to ₦3,235 billion from ₦1,946 billion, indicating that the bank has taken on more financial obligations in 2023, primarily through increased **borrowings** and **other liabilities** which rose by 53.2% and 165.2% respectively. The 36.3% growth in tax payable and about 1.3x multiple in deferred tax liabilities aligns with the bank's higher profitability. While the bank's overall liability position has expanded, indicating a higher level of financial obligations, the complete settlement of **derivative liabilities** and **employee benefits** suggests that the bank has managed certain financial risks and obligations effectively.

Total equity rose by 57.5% to ₦679.9 billion in 2023 from ₦429.7 billion in 2022, highlighting an increase in the retention of earnings and additional capital injections. The **Return on Equity (ROE)** also improved from 12.99% in 2022 to 18.51% in 2023, reflecting strong profitability and effective use of shareholders' funds.

BOI's **capital adequacy ratio** experienced a slight decline of 3.2%, from 47.7% in 2022 to 46.1% in 2023. Despite the decrease, the CAR remains well above the regulatory minimum, indicating that the bank has a strong capital base and is well-capitalized to absorb potential losses.

mofi.com.ng

Company Name: Biovaccines Nigeria Limited
Primary Industry: Healthcare and Pharmaceuticals
Establishment Date: September 2005
Company Address: 445, Herbert Macaulay Way, Yaba Lagos State
Website: <https://www.biovaccinesnig.com>
RC Number: 633335

Overview of activities

Biovaccines Nigeria Limited is into Research and Development, Production, Sales and Distribution of human vaccines, Biologicals and Injection devices.

Its activities are regulated by Pharmacists Council of Nigeria (PCN) and National Agency for Food and Drug Administration and Control (NAFDAC). The entity recognizes the importance of complying with legislation, regulation and codes of global best practices; it is also committed to professional and business integrity in all its activities.

2023 Key events

- BVNL engages new partner for the development of Yellow Fever Vaccines
- BVNL fulfilled a 15% procurement of routine immunization vaccines for the National Primary Health Care Development Agency.

Dividend Declared

N/A

Public policy objectives

Biovaccines Nigeria Limited is dedicated to enhancing public health by producing safe, affordable, and locally manufactured vaccines to combat Vaccine-Preventable Diseases (VPD) across Nigeria and West Africa. Leveraging its unique public-private partnership between the Federal Government and May & Baker Nigeria PLC, the company seeks to rebuild Nigeria's capacity for vaccine production, ensuring health security and reducing reliance on imports. With a vision of becoming a trusted ally in African immunization, Biovaccines focuses on research, development, and manufacturing to meet global health standards. Committed to sustainability, transparency, and collaboration, the company aims to foster innovation, contribute to regional health resilience, and support the nation's long-term goals in healthcare self-sufficiency.

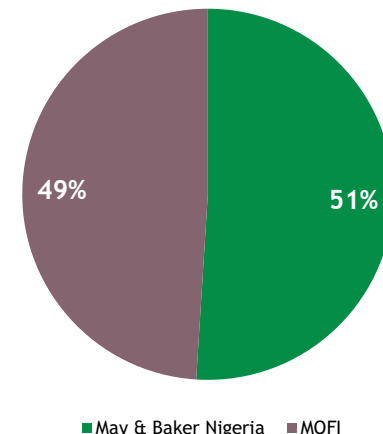
Industry overview

The vaccine production industry in Nigeria is critical to improving public health and reducing dependency on imports. With growing demand for vaccines driven by population growth, public health needs, and global disease outbreaks, the industry faces challenges such as infrastructural gaps and stringent regulatory standards. However, opportunities exist through government initiatives, partnerships, and investments in local manufacturing.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Prof. Oyewale Tomori	Chairman
2	Mr. Kolawole Olalekan Durojaiye	Director
3	Pharm. (Mrs) Olubunmi Stella Aribeara	Director
4	Mr Patrick Ajah	Director
5	Mr. Ayodeji Aboderin	Director
6	Dr. Olumuyiwa O. Aina	Director

Company Shareholding Composition



Income Statement

In thousands of Naira	2023	2022
Continuing operations		
Revenue	1,345,335	0
Cost of Sales	-1,310,228	0
Gross Profit	35,107	0
Other operating income	33,898	20,154
Distribution, Sales and Marketing expenses	-5,266	0
Administrative expenses	-77,028	-73,948
Operating Loss	-13,289	-53,794
Finance Costs	-457	-5,349
Interest Income/other income	16,231	9,016
Profit before Tax	2,485	-50,127
Tax (net of deferred tax credit)	105,676	0
Profit for the year	108,161	-50,127
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Unrealised foreign exchange translation differences	3,595	4,499
Total Comprehensive income	111,756	-45,628
Earnings per share		
Basic (kobo per share) from continuing operation	1	-1
Diluted (kobo per share) from continuing operation	1	-1

Source: BVNL 2023 Audited Accounts

Profitability and Efficiency	2023	2022	%Δ
Gross profit margin	2.6%	0.0%	N/A
Operating profit margin	(1.0%)	0.0%	N/A
Net profit margin	8.0%	0.0%	N/A
Gross profit growth	0.0%	0.0%	N/A
Operating profit growth	(75.3%)	(29.7%)	(153.3%)
Profit before tax (PBT) growth	(105.0%)	(25.9%)	(304.9%)
Profit after tax / Net profit growth	(315.8%)	(25.9%)	(1118.1%)
Cost to income ratio (CIR)	242.8%	366.9%	33.8%

Revenue surged to ₦1.3bn in 2023, representing its primary source of income for the year. As there was no recorded revenue in 2022, this reflects commencement of operational activities.

Gross profit for 2023 stood at ₦35.1mn, with a gross profit margin of 2.6%. While the margin remains slim, it indicates the company's ability to cover its direct costs.

Operating loss reduced to ₦13.3mn in 2023 from ₦53.8mn in 2022, demonstrating a 75.3% improvement year-on-year. This reduction is driven mainly by the increase in **other operating income**, though the operating profit margin remains negative at -1.0%.

Profit Before Tax (PBT) of ₦2.5mn was achieved in 2023, recovering from a loss of ₦50.1mn in 2022. This turnaround highlights improved financial performance driven by other operating income, and lower finance costs.

Cost-to-Income Ratio (CIR) improved to 242.8% in 2023, down from 366.9% in 2022, signaling enhanced operational efficiency but still indicating high costs relative to income

STATEMENT OF FINANCIAL POSITION

In thousands of Naira	2023	2022
ASSETS		
Non-current assets		
Property, plant and equipment	1,569,404	1,571,352
Deferred tax asset	112,729	0
Total non-current assets	1,682,132	1,571,352
Current assets		
Inventories	2,199	0
Trade and other receivables	1,023	6,365
Other assets	1,083,868	279,512
Cash and cash equivalents	134,969	94,703
Total Current assets	1,222,057	380,580
Total assets	2,904,190	1,951,932
Equity and Liabilities		
Share capital	100,000	100,000
Share premium account	1,563,793	1,563,793
Retained earnings	-826,859	-938,757
Revaluation reserve	1,198,153	1,201,890
Fair value reserve	10,095	6,500
Total equity	2,045,182	1,933,426
Non-current liabilities		
Deferred tax liabilities		
Total non-current liabilities		
Current liabilities		
Trade and other payables	851,955	18,506
Current tax liabilities	7,053	0
Total current liabilities	859,008	18,506
Total liabilities	859,008	18,506
Total equity and liabilities	2,904,190	1,951,932

Source: BVNL 2023 Audited Accounts

Profitability and Efficiency	2023	2022	%Δ
Return on average equity (RoAE)	5.4%	(2.6%)	312.2%
Return on average assets (RoA)	4.5%	(2.5%)	275.7%
Asset Turnover	55.4%	0.0%	N/A
Growth in PPE	(0.1%)	(0.4%)	70.5%
Liquidity			
Cash to total assets	0.0x	0.0x	(4.2%)
Current Ratio	1.4x	20.6x	(93.1%)
Quick ratio	1.4x	20.6x	(93.1%)
Leverage			
Total liabilities to equity ratio	0.4x	0.0x	4288.1%
Total liabilities to total assets	0.3x	0.0x	3019.8%
Equity to total asset	0.7x	1.0x	(28.9%)

Total assets increased by 48.8% to ₦2.90 billion in 2023 from ₦1.95 billion in 2022, driven by growth in **current assets**, particularly **other assets** (₦1.08 billion, up from ₦279.5 million) and **cash and cash equivalents** (₦134.97 million, up 42.5%). **Non-current assets** remained stable at ₦1.68 billion.

Total equity rose by 5.8% to ₦2.05 billion in 2023, supported by **retained earnings** improving from a deficit of ₦938.76 million in 2022 to ₦826.86 million in 2023 and an increase in the fair value reserve to ₦10.1 million. However, the **equity-to-total-assets ratio** decreased to 0.7x from 1.0x, reflecting higher liabilities relative to equity.

Total liabilities surged significantly to ₦859 million in 2023 from ₦18.5 million in 2022, primarily due to **trade and other payables** rising to ₦851.96 million. This increase contributed to a higher **total liabilities-to-equity ratio** of 0.4x, up from almost 0x in 2022, indicating a growing reliance on short-term liabilities to fund operations.

Profitability and Efficiency: Return on Average Equity (RoAE) improved to 5.4% from -2.6% in 2022, reflecting the company's return to profitability. **Return on Average Assets (RoA)** increased to 4.5%, up from -2.5%, driven by higher asset utilization. **Asset Turnover** reached 55.4%, signifying effective use of assets in revenue generation.

Current ratio declined sharply to 1.4x in 2023 from 20.6x in 2022 due to the steep rise in current liabilities. Despite this, the ratio still indicates the company's ability to cover short-term obligations. The **quick ratio** mirrors this trend, reflecting similar liquidity challenges.

Total liabilities-to-total-assets ratio increased to 0.3x in 2023 from almost 0x in 2022, signifying higher financial leverage.

Company Name: Development Bank of Nigeria Plc.

Primary Industry: Financial Services

Establishment Date: September 2014

Company Address: Plot 1386a Tigris Cres, Maitama, Abuja

Website: www.devbankng.com

RC Number: 1215724

Overview of activities

The Development Bank of Nigeria Plc. (DBN) was conceived by the Federal Government of Nigeria (FGN) in collaboration with the global development partners to address the major financing challenges facing Micro, Small and Medium Scale Enterprises (MSMEs) in Nigeria.

DBN is a financial institution set up to bridge the gap created by the inability of other development banks, micro-finance banks and commercial banks to satisfy the funding needs of MSMEs in Nigeria. The principal mission of DBN is to improve MSME's access to finance.

2023 Key events

- DBN disburses N155.7bn Loans to MSMEs in 2023
- DBN emerges highest-ranked public institution in 2023 transparency and integrity index
- DBN expanded its funding base and increased access to finance for Micro, Small, and Medium Enterprises (MSMEs) by successfully issuing its bond Series A in 2023 worth ₦24.2 billion

Dividend Declared

The approved dividend as of 31 December 2023 was **N3,270,000,000** (2022: **N3,418,435,000**). The basis of the approved dividend is **N32.70k per share**.

Public policy objectives

The Company's objective is to alleviate financing constraints faced by MSMEs and small Corporations in Nigeria through the provision of financing and partial credit guarantees to eligible financial intermediaries on a market-conforming and fully financially sustainable basis.

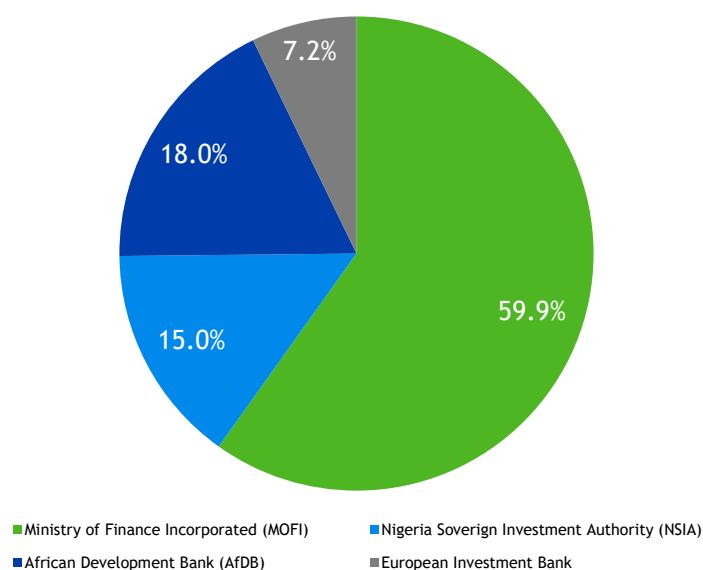
Industry overview

Development Financial Institutions (DFIs) are a key component of Nigeria's broader development strategy, particularly in addressing the country's infrastructure deficit, promoting industrialization, and supporting small and medium-sized enterprises (SMEs) that are vital to job creation and poverty reduction. Unlike commercial banks that focus on short-term profitability and are often reluctant to lend to high-risk sectors, DFIs operate with a developmental mandate, making them more willing to take on projects with higher social and economic impact but lower immediate financial returns.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Dr. Shehu Yahaya	Chairman
2	Dr. Anthony Okpanachi	Managing Director/CEO
3	Mrs. Ijeoma D. Ozulumba	Executive Director
4	Mr. Henry Baldeh	Non-Executive Director
5	Mr. Kyari Abba Bukar	Independent Non-Executive Director
6	Mr. Aminu Umar-Sadiq	Non-Executive Director
7	U.K. Eke	Independent Director
8	Folakemi Fatogbe	Independent Director
9	Imoni Akpofure	Independent Director
10	Mustapha Bintube	Independent Director
11	Juilet Anammah	Independent Director

Company Shareholding Composition



Income statement

NGN in millions	2023	2022	%Δ
Gross earnings	54,814	49,363	11%
Interest income	52,640	48,184	9%
Interest expense	(12,277)	(11,216)	9%
Net interest income	40,363	36,968	9%
Impairment write-back(losses) on financial assets	2,528	(1,250)	302%
Net interest income after impairment	42,891	35,718	20%
Guarantee income	898	694	29%
Guarantee expense	(537)	(515)	4%
Other income	1,276	484	164%
Fee and commission expense	(11)	(12)	-8%
Net operating income	44,517	36,370	22%
Personnel expenses	(3,214)	(2,672)	20%
Depreciation and amortization	(488)	(426)	14%
General and administrative expenses	(4,278)	(3,019)	42%
Total expenses	(7,980)	(6,118)	30%
Profit before tax	36,537	30,252	21%
Income Tax expense	(12,080)	(10,119)	19%
Profit for the year	24,457	20,133	21%

Key indicators	2023	2022	%Δ
Net interest margin	76.7%	76.7%	0%
Cost to income ratio (CIR)	17.9%	16.8%	7%
Net profit Margin	46.5%	41.8%	11%

Source: DBN 2023 Audited accounts

Revenue Growth: DBN's gross earnings increased to ₦54.8 billion in 2023 from ₦49.4 billion in 2022, reflecting a commendable growth rate of 11%. This upward trend is driven by interest income, which rose to ₦52.6 billion, a 9.1% increase from ₦48.2 billion. The consistent growth in both gross and interest income suggests effective management of the bank's lending activities.

Net Interest Income: Net interest income also improved significantly, reaching ₦40.4 billion, an increase of 9.7% from circa ₦37 billion in the previous year. Despite a growth in interest expenses, which increased to ₦12.3 billion from ₦11.2 billion, the **net interest margin** remained stable at 77%. This stability reflects the company's ability to manage its cost of funds effectively while maintaining a strong yield on its assets.

Operating Performance: Net operating income surged by 22.4% to ₦44.5 billion, indicating enhanced revenue generation capabilities. **Total expenses** however increased by 30% to ₦8 billion, this increment is largely due to a rise in personnel expenses by 20% and general administrative costs by 42% both of which signals potential investment in human resources and operational capabilities, which could drive future growth.

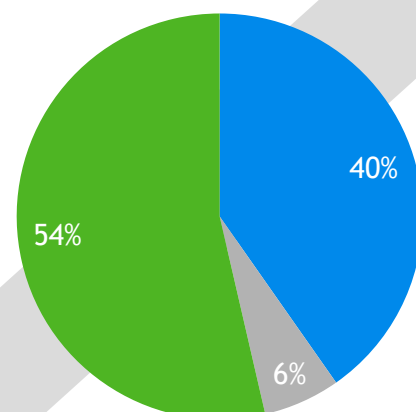
The **cost-to-income ratio**, a measure of operating efficiency, increased slightly from 16.8% to 17.9%. While this suggests a marginal increase in operating costs relative to income, it is important to note that the company's overall profitability improved.

Operating Expenses

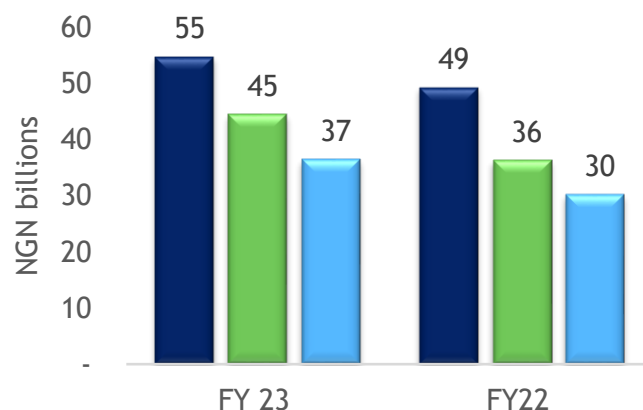
■ Personnel expenses

■ Depreciation and amortization

■ General and administrative expenses



Profitability: DBN profitability metrics improved significantly. Profit before tax increased to ₦36.5 billion, up from ₦30.3 billion, reflecting a solid growth rate of 20.8%. Similarly, profit for the year rose to ₦24.5 billion from ₦20.1 billion, signifying a 21.5% growth. DBN **net profit margin** also improved by 9.4% to 46.5%, up from 40.8%, underscoring the company's enhanced profitability and efficiency in converting revenue into actual profit.

Key Metrics


■ Gross earnings
 ■ Net operating income
 ■ Profit before tax

Statement of Financial Position

NGN in millions	2023	2022	Yoy % Growth
Cash and cash equivalents	94,212	138,623	-32%
Investment securities	25,371	6,425	295%
Loans and advances to customers	410,346	369,403	11%
Property and equipment	11,962	2,435	391%
Intangible assets	230	241	-4%
Deferred tax asset	420	1,206	-65%
Other assets	1,423	1,992	-29%
Total assets	543,963	520,324	5%
Employee benefit obligations	2	2	-8%
Current tax liabilities	12,353	11,754	5%
Borrowings	267,981	291,140	-8%
Debt securities issued	24,236	-	0%
Provision for guarantee	375	325	16%
Other liabilities	3,470	2,594	34%
Total liabilities	308,416	305,815	1%
Share capital	100	100	0%
Share premium	99,763	99,763	0%
Retained earnings	86,732	76,122	14%
Statutory reserve	40,915	33,864	21%
Regulatory risk reserve	8,039	4,661	72%
Other reserve	(2)	-	0%
Total equity	235,547	214,509	10%
Total liabilities and equity	543,963	520,324	5%

Key indicators	2023	2022	Yoy % Growth
Yield on earning assets	10.1%	9.5%	6%
Return on assets	4.6%	3.9%	17%
Return on equity	10.9%	9.8%	10%
Capital adequacy ratio	62.6%	64.0%	(2%)

Source: DBN 2023 Audited accounts

DBN demonstrated significant growth in several key financial position metrics amidst a challenging economic landscape, with **total assets** increasing by 5% to ₦544 billion in 2023 from ₦520.3 billion in 2022.

Return on Assets (RoA) also increased to 4.6% from 3.9%, indicating effective management of total assets to generate earnings.

Cash and Cash Equivalents saw a notable ₦44.4 billion decline to ₦94.2 billion from ₦138.6 billion. This reduction suggests a strategic reallocation of liquid assets into higher-yielding opportunities, resulting in the growth in **loans and advances** to customers by ₦40.9 billion. The growth in loans and advances is indicative of the DBN's commitment to lending, which is essential for fostering economic development.

Investment securities saw a significant growth of 295% to ₦25.4 billion, up from ₦6.4 billion, indicating a strategic shift towards diversifying the asset base and generating additional income. DBN's **yield on earning assets** improved to 10.1%, up from 9.5%, showcasing better asset utilization in interest income generation.

Property and equipment saw a significant increase to ₦12 billion from ₦2.4 billion, suggesting investments in infrastructure and operational capabilities that will enhance service delivery and efficiency.

Total liabilities increased slightly to ₦308.4 billion from ₦305.8 billion, however borrowings saw a decline by 8% from ₦291.1 billion in 2022 to ₦268 billion in 2023. Despite decline in borrowings, a noteworthy development is the **debt securities issuance** amounting to ₦24.2 billion, which demonstrates the bank's innovative approach to raising capital while diversifying funding sources. The provision for guarantee has also increased modestly to ₦375 million, suggesting prudent risk management practices as the bank continues to expand its lending portfolio.

Total equity grew to ₦235.5 billion from ₦214.5 billion, highlighting a solid retained earnings position and increased capital reserves. The **return on equity (ROE)** also improved by 10% to 10.9% in 2023 from 9.8% in 2022, reflecting enhanced profitability relative to shareholder investments.

Capital adequacy ratio slightly decreased to 62.6% from 64.0%, but it remains well above regulatory requirements, signalling a strong capital position to absorb potential losses.

Company Name: Eko Electricity Distribution Company

Primary Industry: Electricity Distribution Services

Establishment Date: 9th November 2005

Company Address: 24/25 Marina Road, Lagos State

Website: www.ekedp.com

RC Number: 638862

Overview of activities

Eko Electricity Distribution Plc was incorporated as a public limited liability company to take over as a going concern, the electricity distribution activities and related business of the Power Holding Company of Nigeria ("PHCN") within the Eko zone, which comprised of 8 districts and now 12 districts within Lagos State. EKEDP supplies electricity based on a license granted to it by the Nigerian Electricity Regulatory Commission ("NERC"). The business activity of the Company are regulated by Nigerian Electricity Regulatory Commission (NERC), which sets out the Electricity Market Rules to ensure efficiency, stability and reliability in the supply of electricity in Nigeria.

2023 Key events

- The signing of the Electricity Act, 2023, introducing significant regulatory changes, such as 100% private ownership, creation of State Electricity Regulatory Commissions, and legal rights for states and private entities to generate and distribute electricity.
- EKEDP made charitable donations amounting to ₦256.3 million, a significant increase from ₦69.5 million in 2022.
- EKEDC recorded a pre-tax profit of ₦9.6 billion, marking a substantial improvement from the preceding year, during which the company incurred a pre-tax loss of ₦13.9 billion.

Dividend Declared

N/A

Public policy objectives

The Company's objectives are primarily aimed at enhancing electricity supply within the southern parts of Lagos State and part of Agbara in Ogun State. These objectives encompass ensuring efficient and reliable electricity distribution by optimizing the network to reduce losses and outages, complying fully with regulations set by the NERC, supporting national energy goals by expanding access to electricity and aligning with government initiatives.

Also, improving customer service by promptly addressing complaints and enhancing service quality, investing in infrastructure upgrades and adopting new technologies for increased efficiency and maintaining transparency and accountability through regular performance reporting and stakeholder engagement.

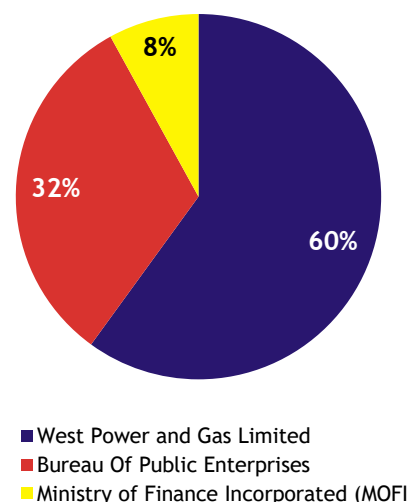
Industry overview

The electricity distribution sector in Nigeria is a crucial component of the nation's power industry, responsible for delivering electricity from the transmission network to end-users across various regions. Following the unbundling and privatization of PHCN in 2013, the sector was restructured into 11 distribution companies (DisCos), each assigned specific geographical areas. NERC oversees the operations of the DisCos, setting tariffs, establishing performance standards, and ensuring compliance with the Electricity Market Rules and Electricity Act 2023.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Oritsedere Otubu	Chairman
2	Tunji Olowolafe	Non-Executive Director
3	Charles Momoh	Non-Executive Director
4	Babor Egeregor	Non-Executive Director
5	Ignatius Ayewoh	Non-Executive Director
6	Mr. Ayodeji Ariyo Gbeleyi	Non-Executive Director DG (BPE)
7	Hajiya Sutura Aisha Bello	Alternate to DG BPE

Company Shareholding Composition



Income Statement

<i>In thousands of Naira</i>	2023	2022
Revenue	180,685,487	137,444,238
Cost of sales	(198,816,617)	(117,157,370)
Gross (loss) profit	(18,131,130)	20,286,868
Other income	76,726,511	21,412,174
Net impairment losses on financial assets	(11,130,570)	(18,138,882)
Operating expenses	(31,832,197)	(31,834,122)
Operating Profit/(loss)	15,632,614	(8,273,962)
Finance income	350,858	259,031
Finance Cost	(6,343,640)	(5,912,320)
Net finance cost	(5,992,782)	(5,653,289)
Profit/(loss) before taxation	9,639,832	(13,927,251)
Taxation	414,262	13,240,721
Profit/(loss) for the year	10,054,094	(686,530)
Total comprehensive Profit/(loss) for the year	10,054,094	(686,530)

Key Indicators	2023	2022	%Δ
Gross profit margin (GPM)	(10.0%)	14.8%	(168.0%)
Operating profit margin	8.7%	(6.0%)	243.7%
Net profit margin	5.6%	(0.5%)	1214.0%

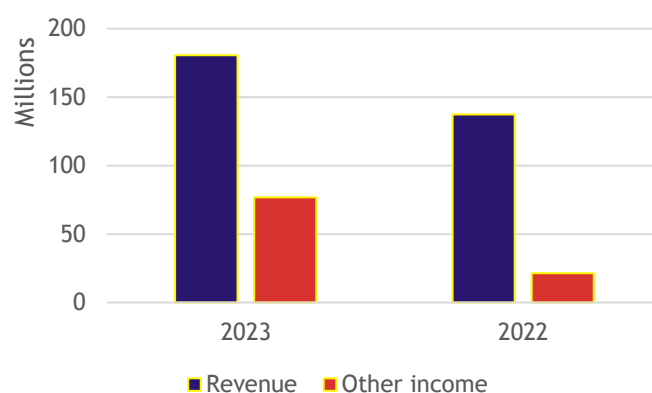
Revenue: The company's revenue increased significantly by 31.5% from ₦137.4 billion in 2022 to ₦180.7 billion in 2023. This substantial growth can be attributed to several factors, including strategic market expansion, enhanced billing and collection processes, and effective customer relationship management. The company's ability to capitalize on these opportunities demonstrates strong strategic and operational capabilities within the electricity distribution sector.

Cost of Sales: While revenue growth was notable, the cost of sales increased at an even higher rate, rising by 69.7% from ₦117.2 billion to ₦198.8 billion due to rising input costs and inflationary pressures. This disproportionate increase in costs led to a gross loss of ₦18.1 billion in 2023, compared to a gross profit of ₦20.3 billion in 2022 due to frozen customer tariff.

Operating Profit: Despite the headwinds of rising costs, the company demonstrated Significant resilience, achieving a significant turnaround in its operating profit. From an operating loss of ₦8.3 billion in 2022, the company successfully transitioned to an operating profit of ₦15.6 billion in 2023. This impressive achievement was driven by a substantial increase in other income, primarily from non-cash activities, and a reduction in net impairment losses. While this turnaround is noteworthy, it is crucial to evaluate the long-term sustainability of relying on non-operating income as a primary driver of profitability.

Profit for the Year: The company's financial performance further strengthened, resulting in a net profit of ₦10 billion in 2023, compared to a net loss of ₦686.5 million in 2022. This significant turnaround is attributable to the positive impact of the improved operating profit. However, it is important to note that increased finance costs due to increase in network investment and a decrease in tax benefits partially offset the positive impact of the improved operating profit.

Key Metrics



Statement of Financial Position

In thousands of Naira	2023	2022
Assets		
Non-current assets	N'000	N'000
Property, Plant & Equipment	76,555,254	62,136,214
Right-of-use assets	4,103,507	2,020,862
Intangible assets	1,036,464	1,391,101
Loans receivable	12,481,909	12,911,749
Restricted cash	7,020,015	6,722,501
Deferred tax	30,699,289	26,261,203
Total Non-current assets	131,896,438	111,443,630
Current Assets		
Inventories	4,110,004	3,213,067
Trade and other receivables	122,352,130	68,543,064
Contract assets	2,436,182	1,818,426
Prepayments	1,022,819	1,022,819
Restricted cash	12,240,223	17,775,545
Cash and Cash equivalents	18,938,305	14,373,078
Total Current Assets	161,099,663	106,745,999
Total assets	292,996,101	218,189,629
Liabilities		
Non-current liabilities		
Borrowings	26,417,682	28,030,012
Lease liabilities	3,482,559	1,068,764
Long term employment benefit	150,960	120,575
Deferred income	14,575,241	14,197,062
	44,626,442	43,416,413
Current Liabilities		
Trade and other payables	157,035,453	94,509,161
Borrowings	5,295,478	4,382,382
Lease liabilities	895,682	1,147,058
Long term employment benefit	-	1,320
Contract liabilities	1,373,463	1,643,279
Deferred income	3,364,705	6,779,785
Current tax payable	12,717,690	8,693,867
Provisions	122,356	105,626
	180,804,827	117,262,478
Total Liabilities	225,431,269	160,678,891
Equity		
Share capital	200,000	200,000
Retained earnings	67,364,832	57,310,738
Total Equity	67,564,832	57,510,738
Total Liabilities and Equity	292,996,101	218,189,629

Profitability	2023	2022	%Δ
Return on average assets (RoA)	3.93%	(0.33%)	1292.0%
Return on average equity (RoAE)	16.08%	(1.19%)	1451.0%
Efficiency / Working Capital			
Asset turnover	0.62x	0.63x	1.6%
Receivable turnover	1.48x	2.01x	35.8%
Liquidity			
Current ratio	0.89x	0.91x	2.2%
Quick ratio	0.87x	0.88x	1.1%
Cash ratio	0.10x	0.12x	20.0%
Leverage			
Total liabilities to Equity Ratio	3.34x	2.79x	(16.5%)
Total liabilities to total assets	0.77x	0.74x	(3.9%)
Equity to total asset	0.23x	0.26x	13.0%
Interest coverage ratio	2.46x	(1.40x)	(156.9%)

Non-current Assets: Total non-current assets rose to ₦131.9 billion in 2023 from ₦111.4 billion in 2022, marking an 18.4% increase. This was due to an increase in right-of-use assets which grew to ₦4.1 billion from ₦2 billion, representing a change of 102.0%, and **Property, Plant & Equipment** which increased by 23.1% from ₦62.1 billion to ₦76.6 billion.

Current Assets: Current assets saw a substantial rise to ₦161.1 billion from ₦106.7 billion, reflecting a 50.9% increase. This growth was driven primarily by a significant increase in **trade and other receivables**, which jumped to ₦122.3 billion from ₦68.5 billion, a change of 78.5%. **Cash and cash equivalents** also rose to ₦18.9 billion from ₦14.4 billion, a 31.9% increase.

Total Liabilities: Total liabilities increased to ₦225.4 billion in 2023 from ₦160.7 billion, marking a 40.4% increase. While **Borrowings** decreased slightly from ₦28 billion to ₦26.4 billion (a -5.4% decline), the significant rise in **trade and other payables** surged to ₦157 billion from ₦94.5 billion, reflecting a 66.1% increase.

Equity: Total equity improved to ₦67.6 billion from ₦57.5 billion, highlighting a 17.4% increase.

Company Name: Family Homes Funds Limited

Primary Industry: Real Estate

Establishment Date: September 2016

Company Address : 3rd Floor, Sinoki House, Samuel Ademulegun Avenue, Central Business District, Abuja

Website: www.fhfl.com.ng

RC Number: 1360519

Overview of Activities

Family Homes Funds Limited (FHFL) is a social housing initiative promoted by the Federal Government of Nigeria as part of its Social Intervention Programme. FHFL supports families on low-income attain their home ownership dreams. FHFL is solving Nigeria housing deficit by making it easier for people to finance affordable housing projects that align with the New Urban Agenda and the Global Goals.

FHFL was set up to ensure low-income Nigerians have access to homes through the easiest and most affordable means possible. The principal mission of FHFL is to provide affordable homes and create jobs, through innovative solutions, leveraging their skilled workforce, strategic partnerships, and technology.

2023 Key events

- GCR affirms FHFL's BBB+ ratings, upgrades Outlook from Stable to Positive
- Agosto & Co. upgrades FHFL's rating to "A+" with Stable Outlook
- FHFL wins "Affordable Housing Company of the Year" at Africa International Housing Show (AIHS) 2023
- Help to Own: FHFL meets AfDB towards commencement of home mortgage program for low-income families
- FHFL performs groundbreaking for 600 homes in Gombe state for low-income families

Public policy objectives

The Company's objective is to address the housing deficit and improve the affordability of homes in Nigeria. Ultimately, the FHFL contributes to the socio-economic development in Nigeria as it is expected to stimulate job creation, contribute to economic growth, promote social inclusion by housing finance to groups often excluded from traditional mortgage options, such as low-income earners, women, and people with disabilities.

Dividend Declared

The proposed final dividend in 2023 was ₦ 183,162,700 and ₦72,511,450 in 2022.

Industry overview

Real estate investment and financing play a crucial role in Nigeria's economy and development. Integral to Nigeria's economic stability, social welfare, and sustainable development, the ability of real estate investment and financing to attract investment, create jobs, and provide housing makes it a pivotal area for policymakers and investors alike.

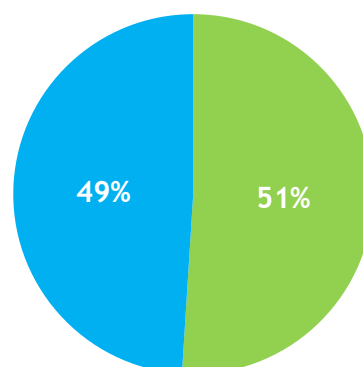
Housing finance further contributes to the financial sector development as it helps to develop the mortgage market, encouraging financial institutions to offer more housing loans and related products.

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Mr. Ademola Adebise	Chairman
2	Mr. Abdul Mutallab Mukhtar	Managing Director
3	Dr. Emeka Henry Inegbu	Executive Director
4	Mr. Abdullahi Musa	Executive Director
5	Dr. Eniang Essien Nkang	Non-Exec Director
6	Mrs. Bilikisu Usman	Non-Exec Director
7	Mr. Sam N. Okagbue	Non-Exec Director
8	Arc. Musa Ahmed	Non-Exec Director
9	Mrs. Ijeoma Taylaur	Non-Exec Director
10	Mr. Abdulqawil Bello	Non-Exec Director

Company Shareholding Composition



■ Ministry of Finance Incorporated (MOFI)

■ Nigeria Sovereign Investment Authority (NSIA)

Income Statement

<i>In thousands of NGN</i>	2023	2022
Revenue	6,351,492	5,192,650
Finance Income	4,474,542	2,696,960
Other Income	19,075	-
Operating and administrative expenses	(3,049,391)	(3,828,880)
Finance Cost	(3,736,357)	(2,011,103)
Profit before income tax	4,059,361	2,049,627
Income tax expense	(396,108)	(599,398)
Profit for the year	3,663,253	1,450,229

Other Comprehensive income	-	-
Total Comprehensive profit for the year	3,663,253	1,450,229

Basic earnings per share (Naira)	3,663	1,450
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Source: FHFL 2023 Audited accounts

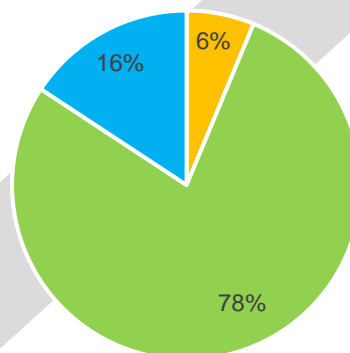
Key indicators	2023	2022	% Δ Growth
Revenue (N'bn)	6.3	5.1	22.3
Total Assets (N'bn)	154.4	129.3	19.4
Loans Receivables (N'bn)	67.7	69.1	(2)
Yield on Assets Ratio	9.1	7.8	17.7
Cost-to-Income Ratio	67.9%	141.9%	(52.2)
Average Cost of Fund Ratio	9.9%	9.8%	0.3

Revenue Growth - Family Homes Funds' revenue grew from ₦5.2 billion in 2022 to ₦6.4 billion in 2023, representing a commendable growth rate of 22.3%. This upward trend is mirrored in finance income, which rose to ₦4.5 billion, a 65.9% increase from ₦2.7 billion in 2022. The consistent growth in both gross and finance income suggests that the Company was able to significantly increase its income-generating activities within the year.

Operating Performance - Operating expenses decreased from ₦3.8 billion in 2022 to ₦3 billion in 2023, suggesting cost-cutting measures and increased operational efficiency. The cost-to-income ratio, a measure of operating efficiency, significantly decreased from 142% in 2022 to 67.9% in 2023. This notable improvement indicates that the Company has managed to control costs relative to its income and become more efficient in managing its operations, leading to higher profitability.

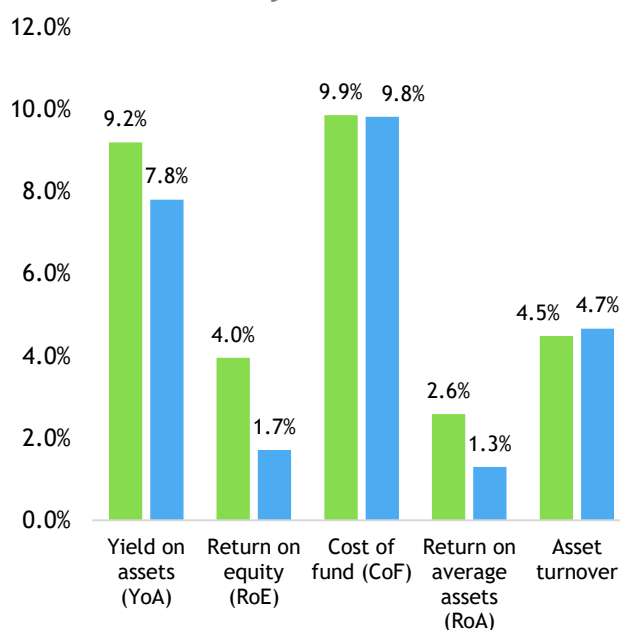
Profitability - The profit for the year, showed a significant increase of 152.6% from 2022 to 2023. This substantial growth in profitability suggests that the company has improved its ability to generate earnings and enhance shareholder value.

Operating Expenses



- Depreciation and amortization
- General and administrative expenses
- Personnel expenses

Key Metrics



■ FY 2023 ■ FY 2022

Statement of Financial Position

In thousands of Naira	2023	2022
Assets		
Non-Current Assets		
Property, plant and equipment	232,335	176,196
Intangible assets	174,388	142,722
Right of use Asset	78,556	57,445
Investment Properties	1,259,966	1,259,966
Sinking fund investment	5,557,888	6,253,845
Deferred tax asset	22,760	-
Loan receivables	67,729,377	69,137,600
Total non-current assets	75,055,270	77,027,774
Current Assets		
Property inventories	21,743,116	19,796,384
Trade and other receivables	2,668,705	1,887,553
Cash and cash equivalents	54,988,845	30,595,711
Total current assets	79,400,666	52,279,648
Total Assets	154,455,936	129,307,422
Liabilities		
Non-Current Liabilities		
Loans and borrowings	40,959,309	26,139,442
Deferred Income Grant	5,880,645	4,800,000
Deferred tax liability	-	3,602
Total non-current liabilities	46,839,954	30,943,044
Current Liabilities		
Trade and other payables	6,294,962	4,322,618
Loans and borrowings	4,514,768	4,248,684
Income tax payable	578,086	655,652
Total current liabilities	11,387,816	9,226,954
Total Liabilities	58,227,770	40,169,998
Equity		
Share capital	1,000	1,000
Capital grant	89,000,000	85,500,000
Retained earnings	7,227,166	3,636,424
Total Equity	96,228,166	89,137,424
Total Liabilities and Equity	154,455,936	129,307,422

Source: FHFL 2023 Audited accounts

Total Asset Growth - FHFL demonstrated significant growth in several key financial position metrics with total assets increasing by 19% to ₦154.5 billion in 2023 from ₦129.3 billion in 2022. The Return on Assets (RoA) almost doubled as it increased to 2.6% in 2023 from 1.3% in 2022, indicating effective management of asset utilization to generate earnings.

Cash and Cash Equivalents significantly increased from ₦30.6 billion in 2022 to ₦55 billion in 2023. This increased liquidity suggests that the company has more readily available funds, which can be used for investments, paying off debt, or as a buffer against future financial challenges.

Sinking fund investment reduced by 11.% to ₦5.6 billion, down from ₦6.3 billion, indicating that the Company liquidated some of its investments. FHFL's yield on earning assets improved to 9.2%, up from 7.8%, showcasing better asset utilization in interest income generation.

Property and equipment recorded a significant increase to ₦232.3 million from ₦176.2 million, suggesting investments in infrastructure and operational capabilities that will enhance service delivery and efficiency.

Total liabilities increased to ₦58.2 billion in 2023 from ₦40.2 billion. As the total non-current liabilities increased from grew by 51.4%, indicating a heavier long-term financial obligation for the Company, the total current liabilities grew by 23.4%. This shows that FHFL has taken on more financial obligations, both in the short term and long term. Of all the liabilities undertaken, short-term loans and borrowings noted the highest increase with a 56.7% growth from ₦4.3 billion in 2022 to ₦4.5 billion in 2023. This could be indicative of the company's need for short-term financing to manage its working capital requirements or other immediate financial needs.

Total equity increased from ₦89.2 billion in 2022 to ₦96.2 billion in 2023. This 8% growth in equity is a healthy sign and can be largely attributed to retained earnings which nearly doubled as it rose by 98.7%, and possibly additional capital infusion which reflected an increment of about 4%. The Return on Equity (ROE) also improved to 4% in 2023 from 1.7% in 2022, which indicates that the Company is generating more profit from every unit of shareholders' equity, which is a strong indicator of financial health and efficiency.

Company Name: Galaxy Backbone Limited

Primary Industry: Information and Communication Technology (ICT) Services

Establishment Date: June 2006

Company Address: 61, Adetokunbo Ademola Crescent, Wuse 2, FCT Abuja

Website: www.galaxybackbone.com.ng

RC Number: 656992

Overview of activities

Galaxy Backbone Limited was incorporated by the Federal Government of Nigeria as a limited liability company on 15th June 2006. The Company's principal activity is to build and operate network infrastructure platform and provide shared Information and Communication Technology (ICT) services to Ministries, Departments and Agencies (MDAs) of the Federal Government. Galaxy Backbone's service coverage is spread across 943 MDAs and comprises of 400 Enhanced Long-Term Evolution (eLTE) towers, 20 Fiber Stations and 11,000 LAN endpoints

2023 Key events

- GBB promotes Digital Inclusion And Security At Nigeria Govtech Summit
- President Buhari commissions Galaxy Backbone National tier IV Datacenter.

Dividend Declared

N/A

Public policy objectives

Galaxy Backbone Limited is a public enterprise of the Federal Government of Nigeria with the primary mandate of setting up and operating a unified Information and Communication Technology (ICT) infrastructure platform that addresses the connectivity, transversal and other technology imperatives for Ministries, Departments and Agencies (MDAs) of the Federal Government.

Industry overview

The information and communication technology (ICT) services sector in Nigeria is a rapidly growing industry, driven by the increasing demand for digital solutions from both the public and private sectors. While Galaxy Backbone is a significant player, the ICT services sector in Nigeria is also comprised of numerous private companies offering a wide range of services, including software development, hardware sales, internet service provision, and IT consulting.

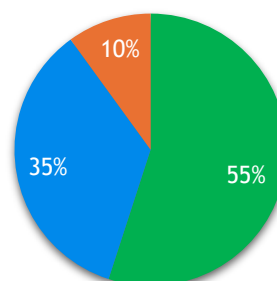
The sector is experiencing rapid growth due to factors such as increasing internet penetration, government initiatives to promote digitalization, and the growing number of startups and entrepreneurs in the technology space.

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Mr. George Akume	Chairman
2	Prof. Ibrahim Adepoju. Adeyanju	MD/CEO
3	Mohammed Sani Ibrahim	Executive Director
4	Olusegun Olulade	Executive Director
5	Olumbe Akinkugbe	Executive Director
6	Mr. Aminu Ahmed Galadima	Director
7	Dr. Lawan Y. Danzomo	Director
8	Dr. Armstrong Takang	Director

Company Shareholding Composition



- Petroleum Technology Development Fund (PTDF)
- Ministry of Finance Incorporated (MOFI)
- Jigawa State Government

Income statement	2023	2022
<i>In Thousands of Nigerian Naira</i>	<i>N'000</i>	<i>N'000</i>
Income Statement		
Revenue	10,509,064	8,807,090
Cost of sales	(3,690,197)	(3,432,246)
Gross (loss) profit	6,818,867	5,374,844
Other income	128,083	22,089
Selling & Distribution Cost	(1,074,841)	(884,100)
Staff costs	-	-
marketing costs	-	-
Maintenance costs	-	-
Consultancy fess	-	-
Administrative Expenses	(5,697,118)	(3,961,051)
Impairment allowance/Expected Credit Loss	(63,494)	(10,427)
Amortisation of intangible assets	-	-
Depreciation	-	-
Resulting From Operating Activities	(52,976)	541,355
Net finance cost	-	-
Profit/(loss) before taxation	(52,976)	541,355
Taxation	(119,390)	235,422
Profit/(loss) for the year	(172,366)	776,777
Other comprehensive income	-	-
Total comprehensive Profit/(loss) for the year	(172,366)	776,777

Key performance indicators

Profitability	2023	2022	%Δ
Revenue Growth	20%	9%	112.8%
Gross profit margin	64.1%	61.0%	5.02%
Operating profit margin	(0.5%)	6.1%	(108.2%)
Net profit margin	(1.6%)	8.8%	(118.5%)
Gross profit growth	25.9%	43.5%	(40.6%)
Operating profit growth	(109.8%)	146.1%	(175.2%)
Profit after tax / Net profit growth	(122.2%)	509.0%	(124.0%)
Cost to income ratio (CIR)	100.8%	90.0%	12%
Return on average equity (RoAE)	(2.7%)	13.0%	(121.1%)
Return on average assets (RoA)	(1.0%)	4.3%	(122.2%)
Asset Turnover	58.4%	48.8%	19.7%

Revenue Growth: Galaxy Backbone limited reported a revenue of ₦10.5 billion, a substantial increase of 20% from ₦8.8 billion in 2022. This growth reflects the company's ongoing efforts to enhance its market position and expand its service offerings.

Cost of sales

GBB **cost of sales** increased from ₦3.4 billion in 2022 to ₦3.8 billion in 2023. This rise contributed to a gross profit of ₦6.8 billion, improving from ₦5.4 billion in the previous year. The **gross profit margin** also increased to 64.1%, up from 61.0% in 2022, indicating better control of cost of sales relative to revenue

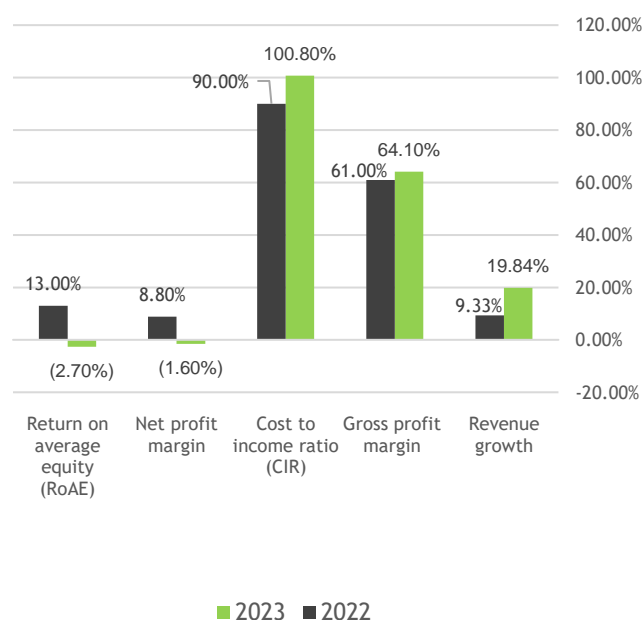
Operating performance

Despite the growth in gross profit, GBB saw a growth in its operating expenses. **Selling and distribution costs** rose to ₦1.2 billion from ₦0.9 billion, and **administrative expenses** surged to ₦5.7 billion from ₦4.0 billion. Additionally, the **impairment allowance for expected credit losses** slightly increased, reflecting cautious management of receivables. These factors contributed to a loss before taxation of ₦0.05 billion, down from a profit of ₦0.54 billion in 2022.

Profitability

The **net profit margin** decreased significantly to a negative 1.6% in 2023, compared to 8.8% in the previous year. This decline is primarily due to higher administrative costs, which impacted overall profitability. The **return on average equity (RoAE)** also fell to a negative 2.7% from 13.0%, signalling reduced efficiency in generating profits from shareholders' equity.

Key Metrics



Statement of Financial Position	2023	2022
In Thousands of Nigerian Naira	N'000	N'000
Assets		
Non-current assets		
Property, plant and equipment	10,336,435	9,036,287
Intangible assets	1,016	16,792
Deferred tax	702,872	626,515
	-	-
Total non-current assets	11,040,323	9,679,594
Current Assets		
Inventories	1,409,100	-
Trade and other receivables	5,754,746	6,848,971
Cash and Cash equivalents	186,458	1,220,515
prepayments	-	-
Payments received in advance	-	-
Total current assets	7,350,304	8,069,486
Total assets	18,390,627	17,749,080
Liabilities		
Non-current liabilities		
Long term liabilities	-	-
Total non-current liabilities	-	-
Current Liabilities		
Current tax liabilities	322,359	126,612
Trade and other payables	11,854,902	11,236,736
Other payables and accruals	-	-
Total current liabilities	12,177,261	11,363,348
Total Liabilities	12,177,261	11,363,348
Equity		
Share capital	1,000,000	1,000,000
Share premium	411,436	411,436
Retained earnings	4,801,930	4,974,296
Total Equity	6,213,366	6,385,732
Total Liabilities and equity	18,390,627	17,749,080

Key performance indicators			
Liquidity	2023	2022	%Δ
Current ratio	0.6x	0.7x	-12.3%
Quick ratio	0.5x	0.7x	-28.9%
Cash ratio	0.0x	0.1x	-69.8%
Leverage			
Total liabilities to Equity Ratio	2.0x	1.8x	11.1%
Total liabilities to total assets	0.7x	0.6x	16.7%

Total assets

Total assets increased to ₦18.4 billion in 2023, up from ₦17.7 billion in 2022, driven by a rise in **property, plant, and equipment**, which stood at ₦10.3 billion. However, **cash and cash equivalents** decreased significantly from ₦1.2 billion to ₦0.2 billion, which could pose liquidity challenges moving forward.

Total liabilities

Total liabilities also increased to ₦12.2 billion from ₦11.4 billion, primarily driven by higher trade and other payables.

Equity Position

Total equity showed a slight decrease to ₦6.2 billion in 2023, compared to ₦6.4 billion in the previous year, reflecting a decline in retained earnings.

Company Name: Haske Solar Company Limited
Primary Industry: Energy
Establishment Date: 5th September 2019
Company Address: 15 Ahmadu Bello Way/Murtala Mohammed Way, Kano, Kano-Municipal, Kano State
Website:
RC Number: 1611628

Overview of activities

In December 2018, the president and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria by a mandate letter dated 12 December 2018 appointed NSIA as Fund and Project manager for the development of 10mW FGN/Kano Grid Solar Project in Kumbotso Local Government Area of Kano state. As a result, Haske Solar Company Limited was created following an investment management agreement between Nigeria Sovereign Investment Authority (NSIA) and the Federal Government of Nigeria represented by the Honourable Minister of Finance dated 2nd July 2020.

2023 Key events

NSIA has completed the development and construction of a 10MW solar farm on behalf of the Federal Government of Nigeria, the Kano State Government, and Kumbotso Local Government Area.

Dividend Declared

N/A

Public policy objectives

To advance Nigeria’s renewable energy agenda, the Federal Government, through the Nigeria Sovereign Investment Authority (NSIA) committed to developing a 10MW grid-connected solar project. This initiative, formalized through an investment management agreement in July 2020, aims to enhance energy access, support sustainable development, and drive the transition to cleaner energy sources in alignment with national and global sustainability goals

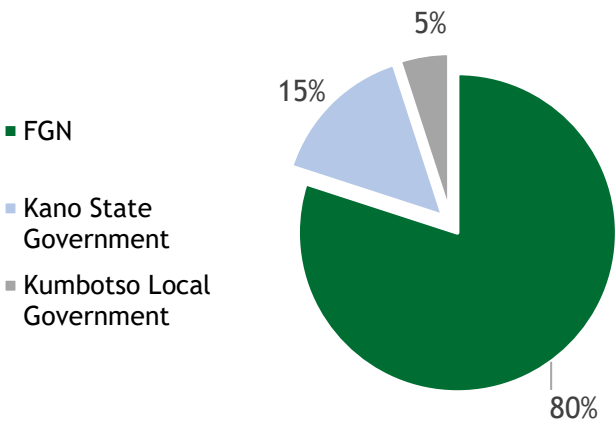
Industry overview

The renewable energy sector in Nigeria offers immense potential due to abundant resources like solar, wind, and hydropower, combined with a critical need to address energy access for over 85 million Nigerians without electricity. Key drivers include supportive policies like the NREEEP, international funding, and the rising demand for off-grid solutions. However, challenges such as financing barriers, infrastructure deficits, policy implementation delays, and limited public awareness hinder progress. Despite these hurdles, opportunities abound in off-grid energy expansion, local manufacturing, job creation, and climate financing, making renewable energy a pivotal avenue for Nigeria’s sustainable energy future.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Jibrilla Mohammed	Director
2	Nasiru Ahmed Sadiq	Director
3	Aliyu Ahmed	Director
4	Tajudeen Datti Ahmed	Director

Company Shareholding Composition



Income Statement

In thousands of Naira	2023	2022
Revenue		
Revenue from exchange transactions:		
Investment income	310,759	166,487
Other income	2,265,015	343,461
Total operating income	2,575,774	509,948
Expenses		
Management fee on receivables	-535,849	0
Administrative and other operating expenses	-219,657	-193,299
Total operating expenses	-755,506	-193,299
Surplus for the period	1,820,268	316,649

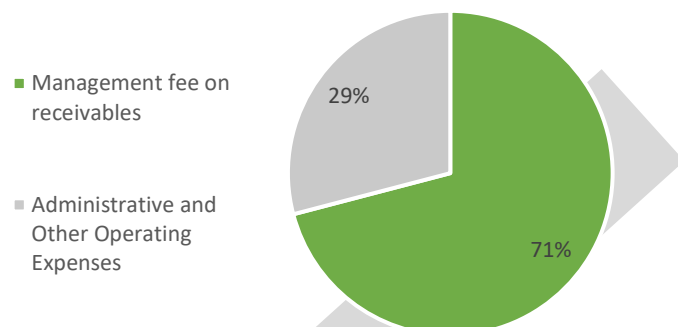
Source: Haske Solar Company Limited Audited accounts

Profitability and Efficiency	2023	2022	%Δ
Net profit margin	70.7%	62.1%	13.8%
Net profit growth	474.9%	(55.7%)	951.8%
Cost to income ratio (CIR)	29.3%	37.9%	(22.6%)

Net Profit Margin: The net profit of Haske Solar Company Limited showed a significant increase from ₦316.7 million in 2022 to ₦1.8 billion in 2023, a Significant 474.9% increase, despite operational expenses rising from ₦193.3 million to ₦755.5 million. The net profit margin improved from 62.1% in 2022 to 70.7% in 2023, indicating enhanced operational efficiency and effective cost management.

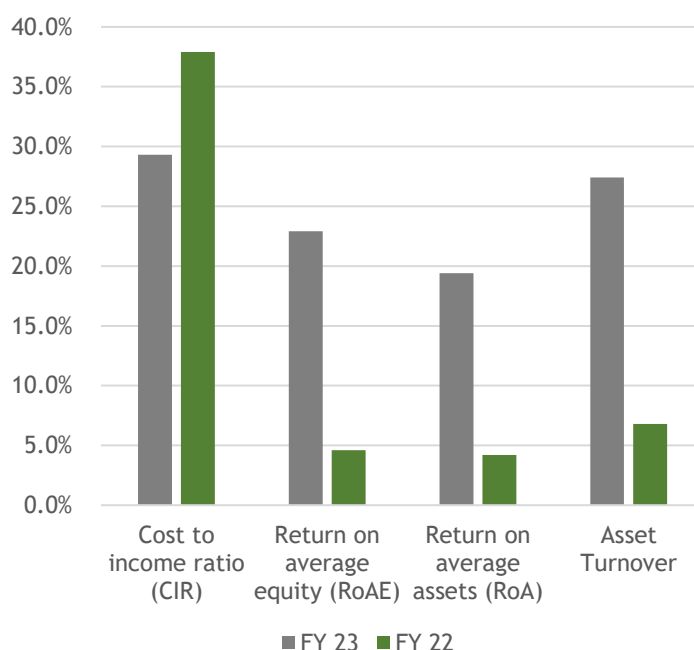
The **cost-to-income ratio**, improved significantly from 37.9% in 2022 to 29.3% in 2023, indicating enhanced operational efficiency.

Operating Expenses



Operating Performance: The Operating income recorded a significant increase, with net income before expenses rising to ₦2.6 billion, up from ₦510 million in 2022. Nonetheless, the Haske Solar Company Limited recorded higher total expenses, particularly due to an increase in the management fee on receivables, which climbed to ₦535.9 million. Despite this rise, the cost-to-income ratio improved, reflecting effective management of administrative and other expenses.

Key Metrics



Statement of Financial Position

	2023	2022
<i>In thousands of Naira</i>	<i>N'000</i>	<i>N'000</i>
Assets		
Infrastructure asset	6,553,390	4,187,289
Investment securities	0	0
Cash and cash equivalents	4,468,141	3,559,103
Total assets	11,021,531	7,746,392
Liabilities		
Trade and other payables	2,149,989	695,118
Total liabilities	2,149,989	695,118
Net assets	8,871,542	7,051,274
Equity		
Contributions from government	4,708,142	4,708,142
Retained earnings	4,163,400	2,343,132
	8,871,542	7,051,274

Source: Haske Solar Company Limited 2023 Audited accounts

Profitability and Efficiency	2023	2022	%Δ
Return on average equity (RoAE)	22.9%	4.6%	397.7%
Return on average assets (RoA)	19.4%	4.2%	360.1%
Asset Turnover	27.4%	6.8%	304.2%
Liquidity			
Cash to total assets	0.4x	0.5x	(11.8%)
Leverage			
Total liabilities to equity ratio	0.2x	0.1x	145.8%
Total liabilities to total assets	0.2x	0.1x	117.4%
Equity to total asset	0.8x	0.9x	(11.6%)

Total Asset: Haske Solar Company Limited reported total assets of **₦11 billion in 2023**, a significant increase from **₦7.8 billion in 2022**. This growth reflects a notable expansion in the company's asset base, which could indicate increased investments, acquisition of new resources, or a strategic buildup to support operational growth. The 41% increase suggests a strong capacity to drive future profitability and operational scalability.

Cash and Cash Equivalents: Cash and cash equivalents stood at **₦4.5 billion in 2023**, compared to **₦3.6 billion in 2022**. This increase in liquid assets reflects improved liquidity management.

Total Liabilities: Total liabilities recorded an increase of **₦2.2 billion in 2023** from **₦695.1 million in 2022**. This substantial increase indicates a greater reliance on debt or other obligations to fund operations or growth initiatives. While the increase could enhance leverage for expansion, it may also reflect higher financial risks.

Total Equity: Total equity grew from **₦7.1 billion in 2022** to **₦8.9 billion in 2023**. This 25% increase demonstrates an improvement in the company's retained earnings, indicating stronger shareholder value. It also reflects the company's ability to sustain growth while maintaining a solid equity base, which can support future investments and bolster investor confidence.

Return on Average Assets: The return on average assets (ROA) increased significantly from **4.2% in 2022** to **19.4% in 2023**. This improvement indicates that Haske Solar Company Limited has become more efficient in generating profits from its asset base. The sharp rise suggests enhanced operational performance and better utilization of resources.

Asset Turnover: Asset turnover climbed from **6.8% in 2022** to **27.4% in 2023**, indicating a marked improvement in how efficiently Haske Solar Company Limited uses its assets to generate revenue. This fourfold increase demonstrates enhanced operational efficiency and revenue generation capabilities, reflecting effective asset utilization strategies.

Company Name: Nigeria Deposit Insurance Corporation

Primary Industry: Financial Services

Establishment Date: June 1988

Company Address: Plot 447/448 Constitution Avenue Central Business District Abuja, Nigeria

Website: www.ndic.gov.ng

RC Number: N/A

Overview of activities

Nigeria Deposit Insurance Corporation (NDIC) is an independent agency of the Federal Government of Nigeria. The purpose of the deposit insurance system is to protect depositors and guarantee the settlement of insured funds when a deposit-taking financial institution can no longer repay their deposits, thereby helping to maintain financial system stability.

NDIC has its origin in the report of a committee set up in 1983 by the Board of Central Bank of Nigeria (CBN), to examine the operations of the banking system in Nigeria. The Committee in its Report recommended the establishment of a Depositors Protection Fund. Consequently, the Nigeria Deposit Insurance Corporation was established through the promulgation of Decree No. 22 of 15th June 1988.

NDIC's mission is to protect depositors and contribute to the stability of the financial system through effective supervision of insured institutions, provision of financial/technical assistance to eligible insured institutions, prompt payment of guaranteed sums and orderly resolution of failed insured financial institutions

2023 Key events

- NDIC emerges overall best in ICPC 2023 ethics and integrity compliance scorecard of MDA's
- NDIC pays N1.39bn to depositors of failed banks
- NDIC Trains Ogun Students on Savings Attitude

Dividend Declared

N/A

Public Policy Objectives

- Protecting depositors by providing an orderly means of compensation in the event of failure of their insured institutions or the inability of such insured institutions to make payment to depositors, provided that in the latter case, such payment shall only be made with the concurrence of the Central Bank of Nigeria;
- Contributing to financial system stability through effective surveillance mechanisms in its role as a key participant in the financial system safety-net arrangement; and
- Enhancing public confidence and financial stability by:
 - (i) providing orderly exit mechanisms for failed insured institutions, and
 - (ii) with the concurrence of the Central Bank of Nigeria, providing a framework for the resolution of failing insured institutions.

Industry overview

The NDIC operates in the Financial Services sector, where its primary mandate is to protect depositors and promote stability within the banking system. The sector comprises commercial banks, microfinance banks, primary mortgage banks, and other financial institutions, which play a crucial role in mobilizing savings, providing credit, and facilitating transactions in the economy. The sector is regulated by several bodies, with the Central Bank of Nigeria (CBN) being the primary regulator. The NDIC works closely with the CBN to ensure compliance with banking regulations, protect depositors, and maintain financial stability. The NDIC provides deposit insurance coverage to protect depositors' funds in case of bank failures. This system is essential for promoting public confidence in the banking sector and preventing bank runs. As the sector evolves with technological advancements and changing economic conditions, the NDIC's role remains vital in ensuring the resilience and trustworthiness of Nigeria's financial landscape

Mandate and Powers

The Deposit Insurance Scheme (DIS) being implemented by the NDIC was designed as a “Risk Minimiser”, with the following mandate:

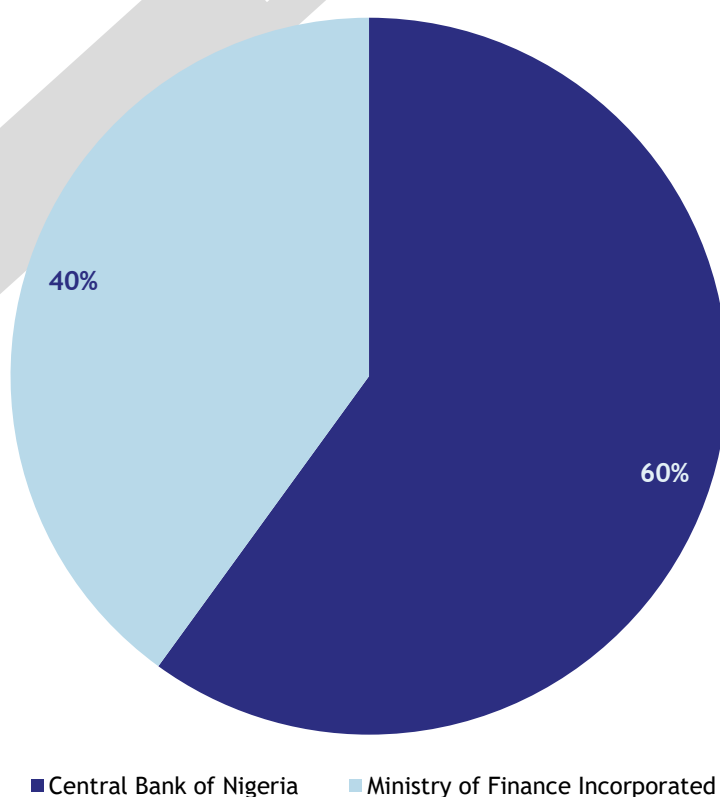
- **Deposit Insurance:** NDIC guarantees the payment of deposits up to the maximum limit in accordance with its statute in the event of failure of an insured financial institution.
- **Bank Supervision:** NDIC supervises banks so as to protect depositors, foster monetary stability, promote an effective and efficient payment system; and promote competition and innovation in the banking system.
- **Failure Resolution:** NDIC ensures that failing and failed institutions are resolved in a timely and efficient manner
- **Bank Liquidation:** The bank liquidation option is always adopted by the corporation for banks that fail to respond to failure resolution measures. The liquidation process involves orderly and efficient closure of the failed institutions with minimum disruption to the banking system.

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Mrs. Lydia Jafiya	Chairman, Interim Management Committee (Perm Sec, Federal Ministry of Finance)
2	Mr. Bello Hassan	Managing Director/CEO
3	Mr. Mustapha M. Ibrahim	Executive Director
4	Mrs. Emily C. Osuji	Executive Director
5	Mr. Chibuike D. Nwaegerue	Interim Management Committee Member (Representing the Central Bank of Nigeria)
6	Mr. Lamido Yuguda	Interim Management Committee Member (DG. Securities and Exchange Commission)

Company Shareholding Composition



Income Statement			
In millions of Naira			
	2023	2022	
Interest income calculated using the effective interest method	263,307	215,302	
Rental income	15	15	
Other income	2,890	15	
Total operating income	266,212	215,332	
Employee benefits expense	66,510	55,144	
Other operating expenses	14,781	14,606	
Credit loss expense on financial assets	208	176	
Depreciation of property, equipment and right-of-use assets	1,155	783	
Amortisation of intangible assets	142	139	
Total operating expenses	82,796	70,847	
Net operating surplus	183,416	144,485	
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement (losses)/Gains on defined benefit plans	(6,234)	(5,493)	
Total items that will not be reclassified to the income statement	(6,234)	(5,493)	
Items that will be reclassified to profit or loss:			
Debt instruments at fair value through other comprehensive income:			
Net change in fair value during the year	(2,210)	(13,735)	
Changes in allowance for expected credit losses on debt instruments at fair value through other comprehensive income Net (losses) on financial instruments at fair value through other comprehensive income	(42)	(51)	
Total items that will be reclassified to income statement	(2,252)	(13,786)	
Other comprehensive (losses) for the year	(8,486)	(19,280)	
Total comprehensive income for the year	174,929	125,205	

Earnings, Profitability and Efficiency	2023	2022	%Δ
Net operating surplus growth	26.9%	8.5%	215%
Cost to income ratio (CIR)	31.1%	32.9%	-5%

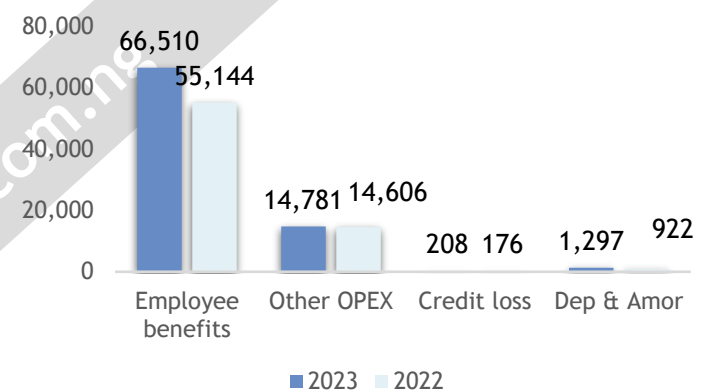
*NDIC has no loans nor CAR.

*Neither does it have interest expense or borrowings and cost of fund.

Income Growth: Total operating income for NDIC increased from ₦215.33 billion in 2022 to ₦266.21 billion in 2023, marking a growth of approximately 23.6%. This growth can primarily be attributed to a substantial rise in **interest income**, which surged from ₦215.30 billion to ₦263.31 billion, an increase of about 22.3%. This improvement in interest income reflects effective management of earning assets, contributing positively to the **yield on earning assets (YoA)**, which remains relatively stable with a slight increase by 9%.

Additionally, **other income** saw a Significant increase from ₦0.015 billion in 2022 to ₦2.89 billion in 2023, indicating enhanced revenue generation capabilities beyond traditional interest streams.

Operating Expenses



Operating expenses: Operating expenses rose to ₦82.80 billion, compared to ₦70.85 billion in the previous year, marking an increase of 16.9%. This increase was largely due to higher employee benefits expenses, which rose to ₦66.51 billion from ₦55.14 billion. NDIC's **cost-to-income ratio (CIR)** saw a significant improvement, dropping to 31.1% from 32.9% in 2022, indicating that NDIC is managing its operating costs effectively relative to its income.

Operating surplus: The net operating surplus improved significantly, climbing from ₦144.48 billion in 2022 to ₦183.42 billion in 2023, an increase of about 27.0% reflecting operational efficiency

Balance Sheet		
In millions of Naira	2023	2022
Assets		
Cash and balances with the Central Bank of Nigeria	54,843	15,005
Financial assets:	0	0
-Debt instruments at amortised cost	1,977,103	1,656,918
-Debt instruments at fair value through other comprehensive income:	389,471	443,374
Other assets	29,569	8,546
Property, equipment and right-of-use assets	69,786	57,840
Intangible assets	2,404	3,052
Total assets	2,523,177	2,184,735
Liabilities		
Compensation due to insured depositors	18,462	12,459
Due to banks	1,160	1,090
FGN consolidated revenue fund payable	35,508	14,776
Deposit Insurance Fund	1,651,267	1,434,573
Account payables and other liabilities	27,266	26,020
Retirement benefit obligations	47,926	38,427
Total Liabilities	1,781,589	1,527,344
Equity		
Share capital	2,300	2,300
Retained earnings	143,462	127,013
Fair value reserves	-13,347	-11,095
Other reserves	100	100
Deposit insurance reserves	609,073	539,073
Total Equity	741,588	657,391
Total Liabilities and equity	2,523,177	2,184,735

Earnings, Profitability and Efficiency	2023	2022	%Δ
Yield on earning assets (YoA)	11.8%	10.9%	9%
Return on average equity (RoAE)	26.2%	23.1%	13%
Return on average assets (RoA)	7.8%	7.0%	11%
Liquidity			
Cash to total assets ratio	2.2%	0.7%	214%
Debt			
Debt-to-Equity (total liabilities to equity)	2.40x	2.32x	3%
Debt ratio	70.6%	69.9%	1%
Equity-to-asset	29.4%	30.1%	-2%

Total Asset Growth

The total assets of the NDIC rose significantly to ₦2,523.18 billion, up from ₦2,184.74 billion, indicating a growth rate of 15.5%. This increase was bolstered by a significant rise in **cash and balances** with the Central Bank of Nigeria, which surged by 266% to ₦54.84 billion in 2023 from ₦15.00 billion in 2022. **Yield on Earning Assets (YoA)** improved slightly by 9% to 11.79% in 2023, indicating enhanced income generation from earning assets.

Investment in Debt Instruments at amortized cost also witnessed a notable increase, reaching ₦1,977.10 billion, compared to ₦1,656.92 billion. However, the value of **debt instruments at fair value** decreased slightly to ₦389.47 billion from ₦443.37 billion, suggesting fluctuations in market conditions.

Total liabilities increased to ₦1,781.59 billion from ₦1,527.34 billion, largely driven by increases in the **Deposit Insurance Fund**, which rose to ₦1,651.27 billion. **Total equity** strengthened to ₦741.59 billion, up from ₦657.39 billion, reflecting **retained earnings** growth to ₦143.46 billion.

Company Name: Nigeria Mortgage Refinance Company

Primary Industry: Financial Services

Establishment Date: June 2013

Company Address: 17, Sanusi Fafunwa Street, Victoria Island, Lagos

Website: www.nmrc.com.ng

RC Number: 1123944

Overview of activities

The Nigeria Mortgage Refinance Company (NMRC) is a private sector-driven mortgage refinancing company with the public purpose of promoting home ownership for Nigerians while deepening the primary and secondary mortgages markets.

Serving as a non-bank financial institution to promote delivery of affordable housing to Nigerians, the NMRC's activities include mortgage refinancing, secondary mortgage market development, development of technology and infrastructure, and standardization of mortgage lending practices.

The principal activity the NMRC is to provide long-term funds to eligible mortgage lenders through refinancing of mortgage by issuing bonds in the capital market. Its mission is to remove barriers to home ownership, provide liquidity, affordability, accessibility and stability to the housing market in Nigeria

2023 Key events

NMRC deepened collaboration with other housing agencies on data, improved housing finance.

Dividend Declared

The proposed dividend as of 31 December 2023 was **N1,764,118,874** (31 December 2022: **N998,958,880.69**). The basis of the proposed dividend is N0.83k per share

Public policy objectives

The Company's objective is to promote home ownership and housing market growth, contribute to economic development, promote financial inclusion by enabling more Nigerians to access mortgage loans, deepening the Nigerian capital market through the issuance of mortgage-backed securities, and supporting policy reforms that support the growth of housing finance market in Nigeria

Industry overview

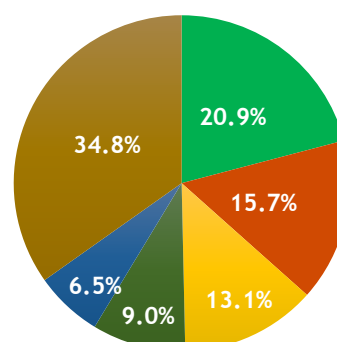
The Nigeria Mortgage Refinance Company (NMRC) operates within the Housing Finance sector, which is a critical component of the broader financial services industry. This sector focuses on providing the necessary capital for the purchase, construction, and improvement of residential properties. The Housing Finance sector is pivotal in making home ownership accessible to a wider population, thereby contributing to economic stability and growth. The Housing Finance sector is essential for economic development, providing not only housing but also stimulating growth in construction, creating jobs, and fostering financial inclusion.

Corporate Information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Yemi Adeola	Chairman (Independent)
2	Kehinde Ogundimu	Managing Director
3	Dr. Armstrong Takang	Non-Executive Director
4	Aminu Umar-Sadiq	Non-Executive Director
5	Olufunke Aboyade	Independent Director
6	Markie Idowu	Independent Director
7	Dr. Olufemi Johnson	Non-Executive Director
8	Dr. Olabanjo Obaleye	Non-Executive Director

Company Shareholding Composition

- Nigeria Sovereign Investment Authority (NSIA)
- Ministry of Finance Incorporated (MOFI)
- Homebase Mortgage Bank Limited
- FirstTrust Mortgage Bank Plc
- FHA Homes Limited
- Others



Income statement

In thousands of Nigerian Naira

	2023	2022
	N'000	N'000
Gross Earnings	10,327,226	10,109,839
Interest income at effective interest rate	10,326,562	10,109,026
Interest expense at effective interest rate	(4,412,238)	(4,590,188)
Net interest income	5,914,324	5,518,838
Other income	664	813
Total income	5,914,988	5,519,651

Writeback/(impairment) of loans and advances	58,125	(21,375)
Impairment of investment securities	10,734	(40,337)
Personnel expenses	(1,029,875)	(861,833)
Depreciation & amortization	(70,715)	(84,779)
Other operating expenses	(1,242,662)	(1,031,339)
Profit before income tax	3,640,595	3,479,988
Income tax expense	(36,564)	(43,400)
Minimum tax	(51,636)	(51,570)
Profit for the year	3,552,395	3,385,018

Items that are or may be reclassified to profit or loss:		
Changed in fair values of FVOCI debt instruments	(109,160)	(94,663)
Other Comprehensive income, net of income tax	(109,160)	(94,663)
Total Comprehensive profit for the year	3,443,235	3,290,355
Profit attributable to:		
Equity holders of the company	3,552,395	3,385,018
Profit for the year	3,552,395	3,385,018
Total comprehensive profit attributable to:		
Equity holders of the company	3,443,235	3,290,355
Total Comprehensive profit for the year	3,443,235	3,290,355

Key performance indicators

Profitability and Efficiency	2023	2022	%D
Profit before tax (PBT) growth	4.6%	2.8%	67.7%
Profit after tax growth	4.9%	2.0%	146.4%
Net interest income growth	7.2%	9.8%	(27.2%)
Net interest margin (NIM)	6.9%	6.5%	6.4%
Yield on assets (YoA)	12.1%	11.9%	1.5%
Cost to income ratio (CIR)	38.5%	37.0%	4.1%
Return on average equity (RoAE)	14.5%	15.3%	(5.3%)
Cost of fund (CoF)	7.4%	7.5%	(1.4%)
Return on average assets (RoA)	4.1%	4.0%	3.5%

Revenue Growth: NMRC's gross earnings grew by 2.2% from ₦10.1 billion in 2022 to ₦10.3 billion in 2023. This modest increase indicates a slight improvement in the Company's ability to generate revenue from its core business activities. effective management of the banks lending activities.

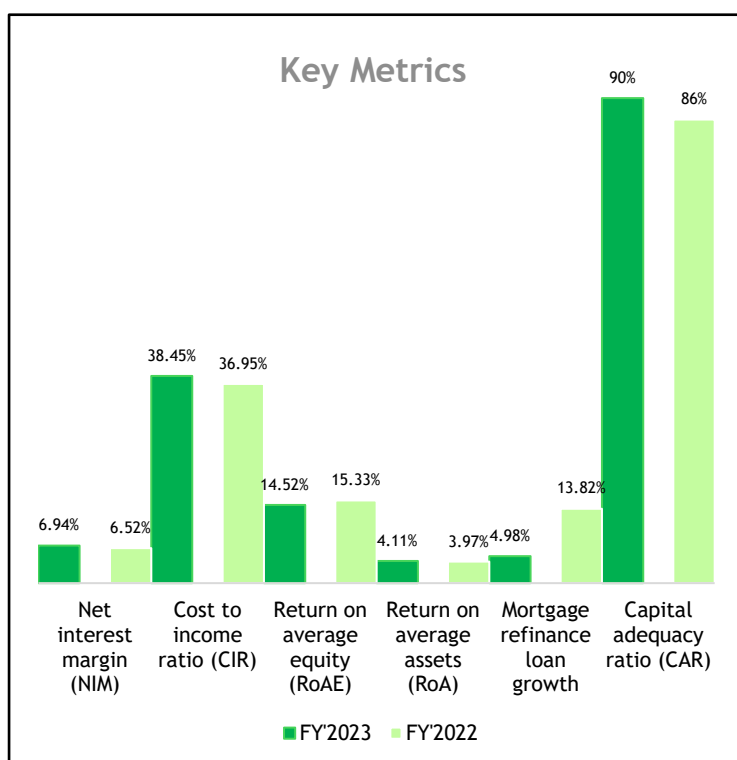
Net interest income saw a growth of 7.2%, rising from ₦5.5 billion in 2022 to ₦5.9 billion in 2023. This suggests effective management of the spread between interest earned on assets and interest paid on liabilities. With a slight reduction in interest expenses, which decreased to ₦4.4 billion from ₦4.6 billion, the **net interest margin** improved slightly from 6.5% in 2022 to 6.9% in 2023. This improvement reflects a more efficient use of the company's assets to generate interest income relative to the interest expense

Operating Performance

Total expenses increased by about 11.5% to ₦2.2 billion. The **cost-to-income ratio**, a measure of operating efficiency, increased from 36.9% to 38.5%. This indicates that the company's operating costs have risen at a faster rate than its income, which could be a point of concern if the trend continues. However, it is important to note that the Company's overall operating performance improved as its profit before income tax grew by 4.6%. The increase from ₦3.4 billion in 2022 to ₦3.6 billion in 2023 can be attributed to better management of operating expenses and revenue growth.

Profitability

NMRC's profitability metrics saw improvements. While the **profit before tax (PBT)** grew by 4.6% from the previous year, **profit after tax** saw a growth of 4.9% increasing from ₦3.38 billion in 2022 to ₦3.6 billion in 2023. This growth is slightly higher than the PBT growth, suggesting effective tax management and the company's increased profitability after fulfilling its tax obligations.



Statement of Financial Position	2023	2022
<i>In thousands of Nigerian Naira</i>	<i>N'000</i>	<i>N'000</i>
Assets		
Cash and cash equivalents	93,739	337,585
Due from Banks	1,813,404	1,755,644
Mortgage refinance loans	25,217,498	24,021,645
Equity instruments at FVOCI	3,168,379	2,543,939
Investment securities - Amortized cost	55,231,867	56,342,656
Other assets	245,016	176,306
Intangible assets	2,867	4,143
Property and equipment	494,192	475,890
Pledged assets	1,146,669-	
Total Assets	87,413,631	85,657,808
Liabilities		
Other liabilities	2,646,329	2,251,722
Current tax liabilities	107,159	104,482
Debt securities	20,391,537	22,530,685
Borrowings	38,586,370	37,532,959
Total Liabilities	61,731,395	62,419,848
Capital and Reserves		
Share capital	2,125,444	2,125,444
Share premium	5,925,232	5,925,232
Retained earnings	13,008,738	11,057,663
Statutory reserves	4,495,921	3,963,062
Statutory credit risk reserve	94,866	25,364
Fair value reserve	32,035	141,195
Total Equity	25,682,236	23,237,960
Total Liabilities and Equity	87,413,631	85,657,808

Key performance indicators

Asset Quality	2023	2022	%
Mortgage refinance loan growth	5.0%	13.8%	-64.0%
Mortgage refinance loan to Funding ratio	42.8%	40.0%	6.9%
Cost of risk (CoR)	0.6%	1.0%	-32.8%

Capital Adequacy and Liquidity

Capital adequacy ratio (CAR)	90.0%	86.0%	4.7%
Cash to total assets ratio	0.1%	0.4%	-72.8%

Debt

Debt-to-equity ratio	2.40x	2.69x	-10.5%
Debt ratio	70.6%	72.9%	-3.1%
Equity-to-asset	29.4%	27.1%	8.3%

Total Asset Growth: NMRC demonstrated significant growth in several key financial position metrics amidst a challenging economic landscape, with **total assets** increasing by 2.1% to ₦87.4 billion in 2023 from ₦85.65 billion in 2022. The **Return on Assets (RoA)** also increased to 4.1% from 4.0%, indicating effective management of total assets to generate earnings.

Cash and Cash Equivalents saw a significant decrease of 72.2% from ₦337 million in 2022 to ₦93 million in 2023. Though this could be a concern for liquidity, this reduction suggests a strategic reallocation of liquid assets into higher-yielding opportunities, resulting in the growth in **mortgage refinance loans** by 5.0%. The growth in loans and advances is indicative of the bank's commitment to lending.

While NMRC's **Investment securities** saw a slight decrease by 1.97%, its **yield on earning assets** improved to 12.11% in 2023, up from 11.94% in 2022, demonstrating better earning asset utilization in interest income generation.

Property and equipment grew by 3.8%, from ₦475 million to ₦494 million, indicating ongoing investment in physical assets, which could support future growth.

Total liabilities decreased by 1.1%, indicating a slight reduction in the Company's overall obligations. **Other liabilities** saw an increase from ₦2.3 billion in 2022 to ₦2.6 billion in 2023, which is a growth of approximately 17.5%. **Current tax liabilities** modestly increased by 2.6%, suggesting a relatively stable position in terms of tax obligations. Contributing to the decrement in total liabilities, **debt securities** decreased significantly from ₦22.5 billion in 2022 to ₦20.1 in 2023, a reduction of approximately 9.5%. This could indicate that the company has paid off some of its debt securities or that some have matured during the year.

Borrowings increased from ₦37.5 billion in 2022 to ₦38.6 billion in 2023, showing a growth of 2.8%. This suggests that the company may have taken on additional loans or other forms of borrowing during the year to diversify its funding sources.

Overall, the slight decrease in total liabilities is a positive indicator that the company has reduced its overall debt burden. The reduction in **debt securities** by 9.5% is a significant contributor to this decrease.

Total equity grew by 10.5% to ₦25.7 billion from ₦23.2 billion, highlighting a solid retained earnings position and increased capital reserves. However, the **Return on Equity (ROE)** decreased slightly by 5.3% to 14.5% in 2023 from 15.3% in 2022. Despite the decrease, the ROE remains relatively high, indicating stable returns to its shareholders.

Company Name: Nigeria Sovereign Investment Authority

Primary Industry: Financial Services

Establishment Date: May 2011

Company Address: The Clan Place, Plot 1386a, Tigris Crescent, Maitama, Abuja.

Website: www.nsia.com.ng

RC Number: N/A

Overview of activities

Nigeria Sovereign Investment Authority (NSIA) was established as an independent investment institution by an Act of the National Assembly in May 2011. It was set up to manage Nigeria's sovereign wealth fund. To deliver its development objectives, NSIA either sponsors or invests in projects and programmes which attract long-term socio-economic benefit to the nation.

NSIA receives economic development funding primarily from the surplus income generated from the sale of Nigeria's crude oil. NSIA manages three distinct mandate funds namely: Nigeria Infrastructure Fund, Future Generations Fund, and Stabilization Fund. NSIA's vision is to position itself as a leading sovereign wealth fund globally, promoting responsible and strategic investments for Nigeria's economic development.

2023 Key events

- NSIA and Z Capital Group (ZCG) announce strategic partnership, sign memorandum of understanding for joint venture focused on infrastructure investments in Africa.
- NSIA unveils Renewables Investment Platform for Limitless Energy ('RIPLE') and Signs partnership agreement with International Finance Cooperation (IFC) to propel energy transition in Nigeria.

Public policy objectives

The Nigeria Sovereign Investment Authority (NSIA) public policy objectives assigned by the Federal Government of Nigeria (FGN) are to:

- Build a savings base for the Nigerian people.
- Enhance the development of Nigerian infrastructure.
- Provide stabilisation support in times of economic stress.

Industry overview

The sovereign wealth fund industry in Nigeria is primarily represented by the Nigeria Sovereign Investment Authority (NSIA), established in 2011 to manage the country's excess oil revenues. This sector aims to ensure fiscal stability, contribute to infrastructure development, and promote sustainable economic growth through strategic investments.

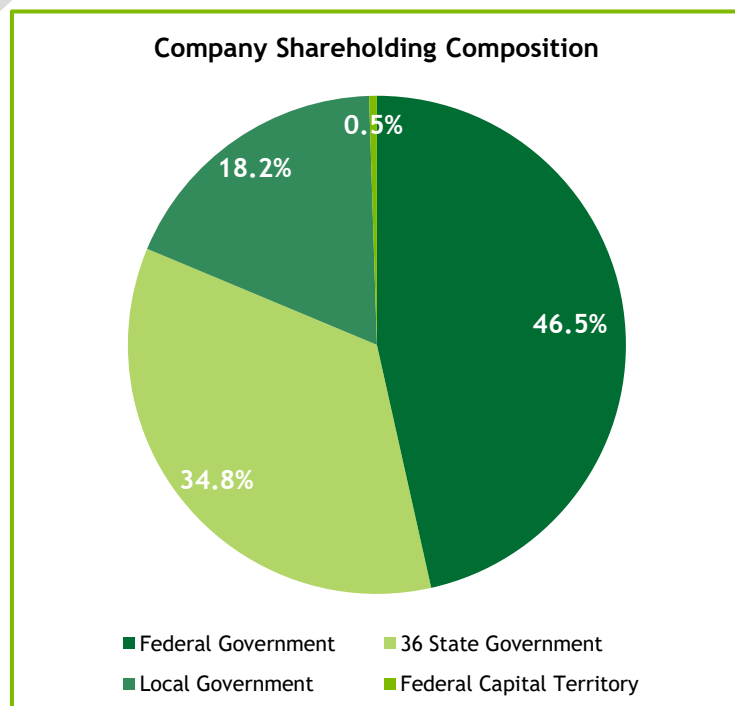
Dividend Declared

N/A

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Mr. Aminu Umar-Sadiq	Managing Director
2	Mr. Kolawole Owodunni	Executive Director
3	Mrs. Olubisi Makoju	Executive Director

The Board of Directors of NSIA was dissolved following the official pronouncement of FGN with effect from 19th June 2023. Consequently, the Non-Executive Directors of the Authority ceased from being Directors from that date.



Income Statement

In thousands of Naira	2023	2022
	N'000	N'000
Interest income on financial assets at amortised cost	30,048,673	9,478,972
Interest income on financial assets at FVOCI	343,662	0
Interest income on financial assets at FVTPL	59,988,077	41,653,710
Investment income	4,751,676	4,095,588
Fair value gain on financial assets at FVTPL	544,207,789	1,648,077
Net foreign exchange gain	537,279,160	44,226,646
Total operating income	1,176,619,037	101,102,993
Investment management fees	(2,836,033)	(1,457,010)
Local custodian fees	(25,168)	(55,519)
Global custodian fees	(239,655)	(152,867)
Total investment management and custodian fees	(3,100,856)	(1,665,396)
Impairment charge on financial assets/investments	(3,156,820)	(1,434,423)
Total operating profit	1,170,361,361	98,003,174
Infrastructure operating revenue	4,185,529	3,186,401
Infrastructure operating expenses	(1,327,913)	(920,345)
Operating profit from infrastructure subsidiaries	2,857,616	2,266,056
Fiduciary and other income	4,146,894	7,080,082
Depreciation and amortization	(999,639)	(984,856)
Other operating expenses	(8,734,605)	(7,235,726)
Interest expense	(1,559,190)	0
Share of profit of investments accounted for using the equity method	18,912,579	3,223,076
Profit before tax	1,184,985,016	102,351,806
Income tax expense	(1,314)	(834)
Profit for the year from continuing operations	1,184,983,702	102,350,972
Profit for the year	1,184,983,702	102,350,972
Other comprehensive income:		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net change in fair value of debt instruments at FVOCI	(91,807)	0
Expected credit loss on debt instruments at FVOCI	49,630	0
Share of other comprehensive income/(losses) of associates and joint ventures	1,920,763	(17,961)
Exchange differences on translating foreign operations	(2,935,927)	(5,939,450)
Other comprehensive income will not be reclassified to profit or loss in subsequent periods (net of tax):		
Fair value changes on equity designated at FVOCI	608,429	568,723
Net other comprehensive (loss)/income	(448,912)	(5,388,688)
Total Comprehensive income for the year	1,184,534,790	96,962,284
Profit attributable to:		
Owners of NSIA	1,184,970,270	102,374,322
Non-controlling interests	13,432	(23,350)
Total comprehensive income attributable to:	1,184,983,702	102,350,972
Owners of NSIA	1,184,521,358	96,985,634
Non-controlling interests	13,432	(23,350)
Total comprehensive income attributable to:	1,184,534,790	96,962,284

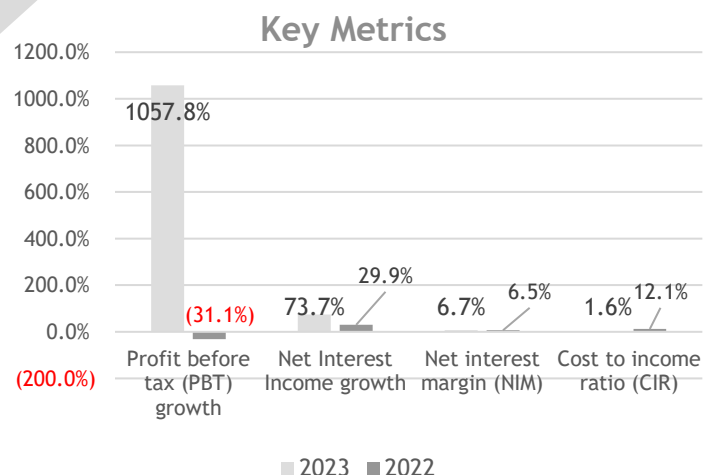
Source: NSIA 2023 Audited Accounts

Revenue Growth: NSIA experienced a significant growth in **total operating income**, which soared to ₦1,176.6 billion in 2023, up from ₦101.1 billion in 2022. This growth was driven primarily by significant increase in **fair value gain on financial assets at FVTPL**, which grew significantly to ₦544.2 billion, compared to just ₦1.6 billion in the prior year and **Net foreign exchange gain**, which increased significantly to ₦537.3 billion in 2023 from ₦44.2 billion in 2022.

The **Net Interest Margin (NIM)** improved to 6.7% in 2023, up from 6.5%, demonstrating enhanced efficiency in generating interest income.

The **cost-to-income ratio**, a measure of operating efficiency, saw a significant improvement, dropping to 1.6% from 10.5% in 2022, indicating that the authority is managing its operating costs very effectively relative to its income. **Other operating expenses**, however increased slightly to ₦8.7 billion from ₦7.2 billion.

Profitability: NSIA's **profit for the year** reached ₦1,185.0 billion, a substantial increase from ₦102.4 billion in 2022.



Key indicators	2023	2022	%Δ
Profit before tax (PBT) growth	1057.8%	(31.1%)	3501.9%
Net Interest Income growth	73.7%	29.9%	146.5%
Net interest margin (NIM)	6.7%	6.5%	3.8%
Cost to income ratio (CIR)	1.6%	12.1%	(87.1%)

Source: NSIA 2023 Audited Accounts

Statement of Financial Position

In thousands of Naira	2023	2022
	N'000	N'000
Assets		
Cash and cash equivalents	547,425,983	60,185,675
Investment securities	1,349,770,243	628,070,376
Loans and debts financing	21,293,934	32,610,185
Other assets and receivables	266,262,970	278,489,858
Inventories	194,443	198,013
Investment in subsidiaries	0	0
Investments accounted for using the equity method	68,427,743	27,766,212
Rights of use assets	184,112	173,662
Property and equipment	5,296,065	5,119,399
Intangible assets	93,821	95,103
Total Assets	2,258,949,314	1,032,708,483
Liabilities		
Other liabilities	11,564,699	15,588,928
Current income tax payable	642,977	430,622
Borrowings	24,533,176	0
Total Liabilities	36,740,852	16,019,550
Equity		
Equity attributable to equity holders of parents		
Contribution by the Government	368,359,739	347,375,000
Share Premium	0	0
Retained earnings	1,855,239,721	670,269,451
Fair value reserve	8,431,344	5,944,329
Foreign currency translation reserve	(9,905,484)	(6,969,557)
	2,222,125,320	1,016,619,223
Non-controlling interests	83,142	69,710
Total Equity	2,222,208,462	1,016,688,933
Total Liabilities and Equity	2,258,949,314	1,032,708,483

Key indicators	2023	2022	%Δ
Efficiency			
Return on average equity (RoAE)	73.2%	10.6%	592.2%
Return on average assets (RoA)	72.0%	9.1%	695.1%
Yield on Asset (YoA)	6.8%	6.5%	5.6%
Asset Quality and Liquidity			
Loans and debts financing growth	(34.7%)	110.8%	(131.3%)
Cost of risk (CoR)	2.1%	2.1%	0.9%
Cash to total assets ratio	24.2%	5.8%	315.8%

Source: NSIA 2023 Audited Accounts

NSIA demonstrated significant growth in several key financial position metrics amidst a challenging economic landscape, with **total assets** increasing by 118.7% to ₦2,258.9 billion in 2023, up from ₦1,032.7 billion in 2022.

Cash and Cash Equivalents increased significantly to ₦547.4 billion, now representing 24.2% of total assets, up from 5.8%, which enhances liquidity and positions the fund to capitalize on future investment opportunities.

Cash to total assets ratio: The significant increase from 5.8% to 24.2% reflects that NSIA has become more liquid, possibly as a result of reducing its lending activities or selling off debt investments.

Investment securities also saw a significant growth, rising to ₦1,349.8 billion from ₦628.1 billion. The increase in investments to ₦68.4 billion highlights strategic partnerships that support long-term growth, and reflects the benefits of using the equity method for reporting.

NSIA's **yield on earning assets (YoA)** improved to 6.8% in 2023, up from 6.5%, showcasing better asset utilization in interest income generation.

Loans and debts financing growth: In 2022, there was a significant increase of 110.8%, suggesting a period of aggressive expansion in lending activities. However, in 2023, it sharply declined by 34.7%, from ₦32.6 billion in 2022 to ₦21.3 billion in 2023. This significant contraction could be due to a strategic shift or a reevaluation of the risk profile of these investments.

The **Cost of Risk (CoR)** was consistent over both years. At 2.1%, NSIA's assessment of the risk associated with its loan portfolio has remained stable. This stability could indicate that there has been no significant change in the credit quality of the loan portfolio.

Total liabilities increased to ₦36.7 billion, up from ₦16.0 billion, primarily due to new borrowings of ₦24.5 billion.

Total equity also grew significantly to ₦2,222.2 billion from ₦1,016.7 billion, indicating a strong capital base. The government's contribution rose to ₦368.4 billion, further supporting the fund's expansion and investment capacity. Retained earnings also showed Significant growth, reaching ₦1,855.2 billion from ₦670.3 billion.

Company Name: Nigerian Communications Satellite Limited

Primary Industry: Information and Communication Technology (ICT) Services

Establishment Date: April 4, 2006

Company Address: Olusegun Obasanjo Space Centre, Along Umaru Musa Yar'Adua Expressway, Lugbe, Abuja

Website: nigcomsat.gov.ng

RC Number: 649733

Overview of activities

The company's primary activities include operating communication satellites to provide services such as telephony, television, internet, and navigation. It aims to complement fibre and terrestrial networks in Nigeria to expand broadband access in rural areas for sectors like security, education, and agriculture. The company also collaborates with the Federal Ministry of Communication and Digital Economy to deploy public access to venues and supports terrestrial cable and microwave deployment to meet national broadband targets.

2023 Key events

- Nigerian Airspace Management Agency successfully tested the Satellite Based Augmentation System (SBAS) with NigComSat-1R .
- NigComSat engaged with NHIA to enhance collaboration and support the integration of health services through digital transformation efforts.

Dividend Declared

N/A

Public policy objectives

NigComSat serves as a vital tool for advancing national development through satellite technology. Its core objectives include delivering high-quality satellite services to enhance communication networks across Nigeria and beyond, while also supporting national security with satellite-based surveillance and monitoring. NigComSat fosters local participation in the telecommunications sector by prioritising indigenous content and contractors. Additionally, it aligns with the federal government's digital economy initiatives, promoting broadband penetration in underserved and rural areas to stimulate economic growth.

Industry overview

The ICT Services sector in Nigeria is a vital driver of economic growth, innovation, and digital inclusion, covering telecommunications, internet services, software development, and cybersecurity. With increasing broadband penetration and advancements in technologies such as 4G, 5G, and fintech solutions, the sector fosters productivity and entrepreneurship while addressing challenges like digital literacy and regional disparities. ICT also supports key areas such as e-learning, telemedicine, and e-commerce, empowering underserved communities. Strategic government policies, infrastructure investments, and public-private partnerships continue to position Nigeria's ICT sector as a cornerstone of national development and global competitiveness.

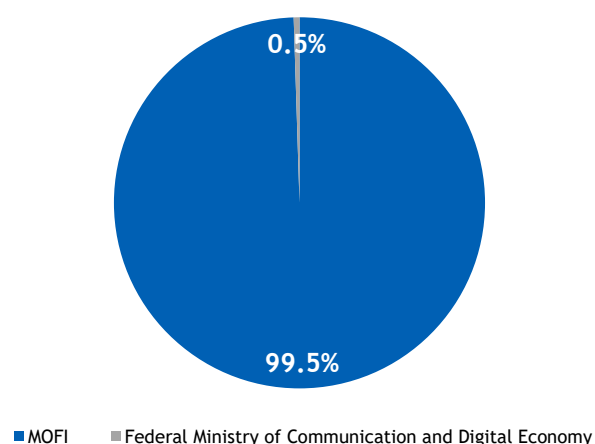
Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Jane Nkechi Egerton-Idehen	Managing Director
2	Abiodun Attah	Executive Director - Technical

**Functions of the Board are escalated to the Ministry of Communications, Innovation and Digital Economy*

Company Shareholding Composition



Income Statement		
In millions of Naira	2023	2022
Internally Generated Revenue	2,216	2,146
Direct Operational Cost	(3,724)	(1,976)
Net Income	(1,508)	170
Personnel Allocation	2,769	2,652
Overhead Allocation	56	58
Finance Income	10	1
Personnel Costs	(2,769)	(2,652)
Administrative Cost	(1,170)	(1,311)
Remittable to the Consolidated Revenue Fund	(121)	(118)
Operating Loss Before Depreciation and Impairment Charges	(2,734)	(1,201)
Depreciation	(4,102)	(3,993)
Amortisation	(27)	(89)
Impairment Charge	(569)	(300)
Loss for the Year Before Tax	(7,432)	(5,582)
Taxation	-	-
Loss for the Year After Tax	(7,432)	(5,582)

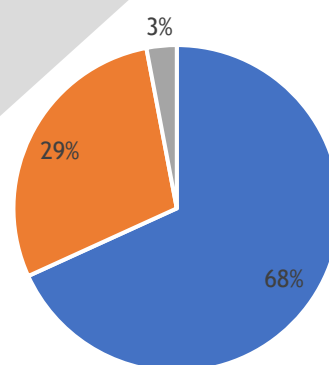
Earnings, Profitability and Efficiency	2023	2022	%Δ
Revenue Growth	3.3%	74.6%	(96%)
Net Income growth	(989.3%)	(64.4%)	(1436%)
Expense ratio	(311.5%)	2583.6%	(112%)

Revenue Growth: Revenue growth slowed significantly from 74.6% in 2022 to 3.3% in 2023, reflecting stagnation in internally generated revenue, which increased marginally to ₦2,216 million from ₦2,146 million. The sharp deceleration highlights challenges in expanding revenue streams.

Net Income Growth: Net income growth declined dramatically from -64.4% in 2022 to -989.3% in 2023, driven by a substantial increase in direct operational costs, which rose to ₦3,724 million in 2023 compared to ₦1,976 million in 2022. The resulting net income loss of ₦1,508 million underscores the significant impact of rising costs on profitability.

Net Income Growth: The Net Income Ratio declined sharply from 7.9% in 2022 to -68.1% in 2023, reflecting a significant shift from marginal profitability to substantial losses. This was primarily driven by a steep rise in direct operational costs, which increased by 88% to ₦3,724 million, far outpacing revenue growth of just 3.3%.

Operating Expenses



- Personnel Costs
- Administrative Cost
- Remittable to the Consolidated Revenue Fund

Statement of Financial Position		
In millions of Naira	2023	2022
Non-Current Assets		
Property, Plant and Equipment	28,162	31,234
Intangible Assets	0	27
Other Assets	7,819	9,383
Capital Work-in-Progress	155	177
Equity Securities - FVOCI	-	-
Total Non-Current Assets	36,136	40,820
Current Assets		
Inventory	294	285
Receivables and Prepaid Expenses	208	737
Bank and Cash Balances	3,044	4,254
Total Current Assets	3,547	5,276
Total Assets	39,682	46,097
Equity and Liabilities		
Equity attributable to Shareholders		
Share Capital	10	10
Take Off Fund	47,153	47,153
Capital Fund	31,979	31,214
Retained Earnings	(51,797)	(44,359)
Total Equity	27,345	34,019
Liabilities		
Payables and Accrued Expenses	4,507	2,682
Other Liabilities	7,830	9,396
Total Liabilities	12,337	12,078
Total Equity and Liabilities	39,682	46,097

Earnings, Profitability and Efficiency	2023	2022	%Δ
Return on average equity	(24.2%)	(15.9%)	(52%)
Return on average assets (RoA)	(17.3%)	(13.1%)	(32%)
Asset Turnover	5.2%	5.0%	3%
Liquidity			
Cash to total assets ratio	7.7%	9.2%	(17%)
Leverage			
Total Liabilities to Equity	0.45x	0.36x	27%
Total Liabilities to total assets	0.31x	0.26x	19%
Equity-to-asset	0.69x	0.74x	(7%)

Return on average equity declined from -15.9% in 2022 to -24.2% in 2023, reflecting a deeper erosion of shareholder value. The significant loss for the year, coupled with negative retained earnings of ₦51,797 million, contributed to this decline.

Return on average assets dropped from -13.1% in 2022 to -17.3% in 2023, indicating reduced efficiency in utilising the organisation's assets to generate returns. This decline reflects increased losses and reduced total assets, which fell from ₦46,097 million to ₦39,682 million.

Asset turnover improved slightly from 5.0% in 2022 to 5.2% in 2023, suggesting a marginally better ability to generate revenue relative to total assets.

Cash-to-total-assets ratio declined from 9.2% in 2022 to 7.7% in 2023, reflecting a drop in bank and cash balances to ₦3,044 million. While the ratio remains moderate, the decline signals weakening liquidity.

Total liabilities to equity increased from 0.36x in 2022 to 0.45x in 2023, indicating a higher reliance on liabilities relative to equity.

Total liabilities to total assets ratio rose from 0.26x in 2022 to 0.31x in 2023, reflecting increased liabilities relative to declining total assets. The ratio remains within acceptable limits but on an upward trend.

Equity-to-asset ratio declined from 0.74x in 2022 to 0.69x in 2023, indicating reduced equity relative to the total asset base. This decline is attributed to losses for the year and accumulated retained deficits.

Company Name: The Nigerian Export-Import Bank

Primary Industry: Financial Services

Establishment Date: July 1991

Company Address: NEXIM House, Plot 975 Cadastral Zone AO, Central Business District, Garki, Abuja.

Website: www.neximbank.com.ng

RC Number: N/A

Overview of activities

The Nigerian Export-Import Bank (NEXIM) was established by Act 38 of 1991 as an Export Credit Agency (ECA) with a share capital of N50,000,000,000 (Fifty Billion Naira) held equally by the Federal Ministry of Finance Incorporated and the Central Bank of Nigeria. NEXIM replaced the Nigerian Export Credit Guarantee & Insurance Corporation earlier set up under Act 15 of 1988.

NEXIM bank presently provides short and medium-term loans to Nigerian exporters, it also provides short term guarantees for loans granted by Nigerian banks to exporters as well as credit insurance against political and commercial risks in the event of non-payment by foreign buyers. The Bank is also the government's National Guarantor under the ECOWAS Inter-state Road Transit programme. NEXIM has a vision to facilitate export diversification and economic growth in Nigeria.

2023 Key events

- NEXIM partners Fidelity Bank, and Sapphital to grow Nigeria's export sector.
- NEXIM backed Sealink to commence operation Q1 2023.

Dividend Declared

The bank did not pay any dividend in 2023 (2022: Nil).

Public policy objectives

The Nigerian Export-Import Bank (NEXIM) public policy objectives assigned by the Federal Government of Nigeria (FGN) include providing finance, risk bearing services as well as trade and market information and export advisory services to the Nigerian export community.

Industry overview

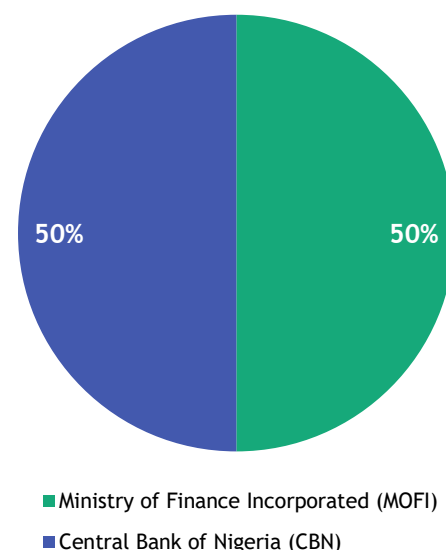
NEXIM Bank operates in the Financial Services sector, specifically focusing on export financing and trade promotion. The market is characterized by a growing emphasis on diversifying Nigeria's economy beyond oil, with significant potential in agriculture, manufacturing, and services. NEXIM facilitates access to financing for small and medium-sized enterprises (SMEs), provides risk management solutions, and engages in capacity building. The bank collaborates with various stakeholders to enhance trade policies and create a supportive environment for exporters in Nigeria.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Mrs. Lydia S. Jafiya	Chairman, Board Committee (Perm Sec, Federal Ministry of Finance)
2	Mr. Abubakar Abba Bello	Managing Director / CEO
3	Dr. Bala Mohammed Bello	Executive Director
4	Hon. Mrs. Stella Okotete	Executive Director

**The Financial Statements were approved by the Honourable Minister of Finance and Coordinating Minister of the Economy in his capacity as chairman in the absence of a statutory Board.*

Company Shareholding Composition



Income Statement

In thousands of Nigerian Naira	2023	2022
	N'000	N'000
Interest income calculated using effective interest method	19,723,713	13,507,118
Interest expense	(3,437,395)	(2,612,354)
Net interest income	16,286,318	10,894,764
Impairment charges	(7,759,516)	(423,146)
Net interest income after impairment charge for credit losses	8,526,802	10,471,618
Fee and commission income	5,890	15,809
Other operating income	15,078,827	3,690,190
Operating income	23,611,519	14,177,617
Personnel expenses	(4,038,086)	(3,295,545)
Depreciation of property, plant and equipment	(259,780)	(206,100)
Depreciation of right of use assets	(38,787)	(19,511)
Amortisation of intangible assets	(62,841)	(36,259)
Other operating expenses	(6,036,171)	(4,394,906)
Operating expenses	(10,435,665)	(7,952,321)
Profit for the year	13,175,854	6,225,296
Other comprehensive income:		
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Net fair value losses on financial assets at FVOCI		
Net gain on equity instruments designated as FVTOCI	24,571,874	73,785
Re-measurement (loss)/gain on defined benefit plans	616,759	(22,191)
Other comprehensive income for the year	25,188,633	51,594
Total comprehensive income for the year	38,364,487	6,276,890
Basic/diluted earnings per share (kobo)	26.35	12.45

Key indicators	2023	2022	%Δ
Net Interest Income growth	49.5%	16.5%	200.0%
Net interest margin (NIM)	6.7%	5.3%	26.4%
Cost to income ratio (CIR)	58.0%	57.4%	1.0%

Source: NEXIM 2023 Audited Accounts

Revenue Growth: NEXIM Bank reported ₦19.7 billion in interest income in 2023, a significant increase from ₦13.5 billion in 2022. This growth can be attributed to an increase in lending activities and possibility favourable interest rates.

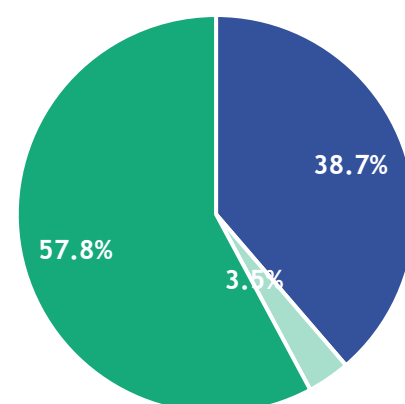
Net Interest Income: Despite growth in interest expenses to ₦3.4 billion, up from ₦2.6 billion, **net interest income** grew to ₦16.3 billion, significantly improving from ₦10.9 billion in the previous year. **Net Interest Margin (NIM)** also improved to 6.7% in 2023 from 5.3% in 2022, indicating better asset utilization in generating interest income. However, after accounting for impairment charges, net interest income decreased to ₦8.5 billion, compared to ₦10.5 billion in 2022, reflecting increased provisioning for credit losses.

Profitability: **Profit for the year** increased significantly to ₦13.2 billion, compared to ₦6.2 billion in 2022.

Operating Performance: NEXIM bank total operating expenses rose to ₦10.4 billion in 2023 from ₦8 billion in 2022. The increase in personnel expenses to ₦4 billion (up from ₦3.3 billion) reflects the bank's focus on human capital investment, while other operating expenses also increased, signaling a need for continued investment in operational efficiencies. The **cost-to-income ratio** remained stable at 58%, slightly up from 57.4%, indicating that the bank maintained a balanced approach to managing costs relative to its income growth.

Operating Expenses

- Personnel expenses
- Depreciation and amortisation
- Other operating expenses



Statement of Financial Position

In thousands of Nigerian Naira	2023	2022
	N'000	N'000
Assets		
Cash and bank balances	9,206,600	12,675,746
Due from Banks	97,098,064	64,991,028
Loans and advances to customers	155,826,925	146,759,620
Equity instruments at FVOCI	32,269,084	6,572,584
Other assets	860,138	829,952
Property, plant and equipment	2,961,585	2,992,890
Right-of-use assets	121,379	56,065
Intangible assets	140,770	168,273
Net employee defined benefit assets	2,854,330	2,363,743
Total Assets	301,338,875	237,409,901
Liabilities		
Debt securities issued and other borrowed funds	197,583,685	175,444,672
Other liabilities	16,843,739	13,418,265
Total Liabilities	216,354,723	188,862,937
Equity		
Share capital	50,000,000	50,000,000
Retained earnings	(3,258,173)	(42,587,355)
Regulatory risk reserve	12,348,543	37,885,112
Fair value reserve	27,321,081	2,749,207
Other reserve	500,000	500,000
Total Equity	86,911,451	48,546,964
Total Liabilities and Equity	301,338,875	237,409,901

Key indicators	2023	2022	%Δ
Efficiency			
Net Interest Income growth	49.5%	16.5%	200.0%
Net interest margin (NIM)	6.7%	5.3%	26.4%
Return on average equity (RoAE)	19.5%	13.7%	42.3%
Return on average assets (RoA)	4.9%	2.9%	69.0%
Yield on earning assets (YoA)	8.1%	6.6%	22.7%
Cost to income ratio (CIR)	58.0%	57.4%	1.0%
Average Cost of fund (CoF)	1.8%	1.6%	12.5%
Asset Quality and Liquidity			
Non-performing loan (NPL) ratio	29.2%	37.9%	(23.0%)
Loans and advances growth	6.2%	11.2%	(44.6%)
Loan to Funding ratio	78.9%	83.7%	(5.7%)
Cost of risk (CoR)	16.0%	14.4%	11.1%
Cash to total assets	3.1%	5.3%	(41.5%)
Debt			
Debt-to-Equity	2.5x	3.9x	(35.9%)
Debt ratio	71.2%	79.6%	(10.6%)
Equity-to-asset	28.8%	20.5%	40.5%

Source: NEXIM 2023 Audited Accounts

Total Asset Growth: NEXIM Bank's total assets increased to ₦301.3 billion, up from ₦237.4 billion in 2022. This growth was driven by growth in loans and advances to customers, which grew to ₦155.8 billion in 2023 from ₦146.8 billion in 2022. The bank also reported significant gains in equity instruments at fair value, rising to ₦32.3 billion from ₦6.6 billion, reflecting strong market performance.

The Non-Performing Loan (NPL) ratio decreased from 37.9% in 2022 to 29.2% in 2023, showing a significant improvement of 23.1%. This suggests that NEXIM has been successful in reducing the proportion of loans that are no longer generating income, which could be due to better credit management.

The Cost of Risk (CoR) increased from 14.4% to 16.0%, an 11% rise which suggests that the Bank is anticipating greater losses in the future, leading to a higher provision for loan losses by 21.1% compared to the previous year.

Cash to Total Assets decreased by 42.8%, from 5.3% to 3.1%, suggesting that NEXIM held less cash relative to its total assets. This indicates a possible strategy of deploying cash into more productive assets.

Total liabilities increased to ₦216.4 billion, up from ₦188.9 billion, primarily due to new borrowings of ₦22.1 billion. The Debt (total liabilities)-to-Equity ratio decreased from 3.9x in 2022 to 2.5x in 2023, a 35.9% reduction. Similarly, the debt ratio decreased from 79.6% to 71.2%, a 10.6% reduction. This indicates a significant deleveraging as the Bank reduces its reliance on debt financing relative to equity, which could lead to a lower financial risk profile.

Total equity strengthened to ₦86.9 billion, compared to ₦48.6 billion in the previous year, driven by improved retained earnings, which moved closer to a positive balance at ₦(3.3) billion (up from ₦(42.6) billion). The **Equity-to-Asset** ratio increased from 20.4% to 28.8%, a 40.5% increase. NEXIM strengthened its equity base relative to its assets, which could indicate an improved financial cushion and potentially lower risk for shareholders.

Overall, the reduction in debt levels and the increase in equity relative to assets suggest a strategic shift towards a more prudent and stable financial structure.



Company Name: Nigerian Railway Corporation

Primary Industry: Transportation

Establishment Date: 3rd October 1912

Company Address: 1, Oke-Ira Road, Railway Compound, Ebute Metta, Lagos State

Website: <https://nrc.gov.ng>

RC Number: N/a

Overview of activities

NRC came into existence by the merger of Lagos Government Railway and the Baro-Kano Railway. It however became an autonomous public corporation created by an Act of Parliament - the Nigerian Railway Corporation Act (1955) as amended with the original objectives of "carriage of passengers and goods in the manner that will offer full value and quality of service, ensure safety of operations and maximum efficiency, meet social responsibility in a manner that will meet the requirements of rail users, trade, commerce and the general public.

2023 Key events

- UK Government celebrated Nigeria's railway heritage with a workshop on the "Nigeria Railway Digital Documentation Partnership," in collaboration with the Nigerian Railway Corporation, Oxford University, and Legacy 1995.
- NRC resumed the Abuja-Kaduna Train Service (AKTS) after a suspension on 27th January 2023, following a derailment at Kubwa Station.

Dividend Declared

N/A

Public policy objectives

- Provide safe, reliable, and affordable rail transport to support trade and economic growth.
- Ensure safety and security of passengers and assets with robust safety measures.
- Promote sustainable infrastructure development and reduce road congestion.
- Enhance regional connectivity and socio-economic integration within Nigeria and neighbouring countries

Industry overview

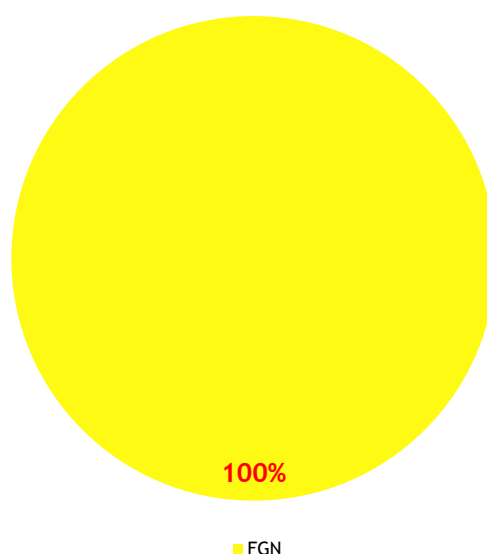
The Nigerian transportation sector is vital for economic growth, connecting people and goods across the country through road, rail, air, and water networks. In recent years, the government has invested in infrastructure improvements to modernise and expand these networks, aiming to reduce road congestion and enhance regional connectivity.

Projects like the revitalisation of the Lagos-Ibadan rail line and upgrades in key airports showcase efforts to diversify transport options and support trade. Despite challenges such as poor road maintenance and port congestion, reforms and partnerships are promoting a more efficient and sustainable system. As the sector develops, Nigeria's transportation infrastructure is expected to play a significant role in driving economic resilience and regional integration.

Corporate information

**The Financial Statements were approved by the Honourable Minister of Finance and Coordinating Minister of the Economy in his capacity as chairman in the absence of a statutory Board.*

Company Shareholding Composition





Income Statement		
In millions of Naira	2023	2022
Revenue		
Non-Exchange Transaction	12,125	8,033
Exchange Transaction	7,048	5,302
Total Revenue	19,173	13,335
Expenditure		
Personnel Emolument	12,484	8,112
Supplies and Consumables	4,642	4,397
Administrative and General Expenses	3,230	2,950
Depreciation	23,696	18,349
Finance Cost	-	-
Total Expenditure	44,052	33,807
Deficit for the Period	(24,879)	(20,472)
Transfer		
Transferred to Consoloidated Revenue Fund	(1,528)	(3,815)
Net Deficit for the Period	(26,407)	(24,287)
Other comprehensive income/(loss), net of income tax		
<i>Items that will not be reclassified to statement of financial position:</i>		
Net Gain on Investment at Fair Value Through Other Comprehensive Income	-	2,522
Total comprehensive Income/(loss) for the year	(26,407)	(21,765)

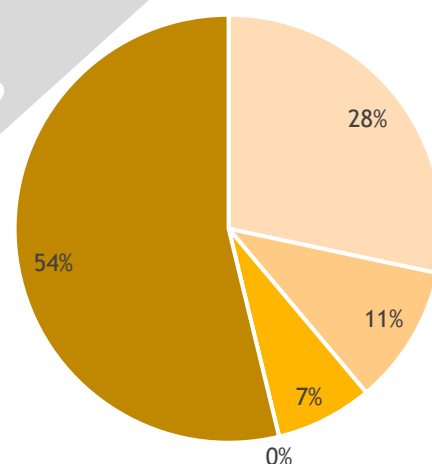
Earnings, Profitability and Efficiency	2023	2022	%Δ
Revenue growth	43.8%	-7.5%	682.8%
Operating Profit Margin (OPM)	-129.8%	-153.5%	15.5%
Net Profit Margin (NPM)	-137.7%	-182.1%	24.4%
Expense ratio	229.8%	253.5%	-9.4%

Revenue growth increased significantly to 43.8% in 2023, a marked improvement from the decline of -7.5% in 2022. This growth was driven by higher revenues from both non-exchange transactions (₦12,125 million, up 51%) and exchange transactions (₦7,048 million, up 33%). The improvement reflects better performance in revenue-generating activities, though it was insufficient to offset the high expenditure levels.

Operating Profit Margin improved slightly from -153.5% in 2022 to -129.8% in 2023, although it remains negative. This indicates that expenses significantly exceeded revenue during the period. The total expenditure (₦44,052 million) grew by 30%, with personnel emoluments and depreciation as the largest contributors.

Net Profit Margin also improved, rising from -182.1% in 2022 to -137.7% in 2023. While revenue grew, the deficit for the period widened to ₦26,407 million due to high personnel and administrative expenses. The improvement in NPM reflects marginal progress but indicates that the organisation is still operating at a significant loss, requiring further efforts to align revenue with expenditure.

Operating Expenses



- Personnel Emolument
- Supplies and Consumables
- Administrative and General Expenses
- Finance Cost
- Depreciation

Expense Ratio decreased from 253.5% in 2022 to 229.8% in 2023, indicating a modest reduction in the proportion of expenses to revenue. Despite this improvement, expenses remain excessively high compared to revenue, driven by personnel emoluments and depreciation.



Statement of Financial Position		
In millions of Naira	2023	2022
Non-Current Assets		
Property, Plant and Equipment	425,468	441,626
Capital Work-in-Progress	434,854	434,854
Investment Valued at Other Comprehensive Income	2,540	2,540
Total Non-Current Assets	862,863	879,020
Current Assets		
Bank Balances	3,337	571
Capital and Overhead Account	5,370	5,371
Inventories	5,404	5,308
Trade and Other Receivables	21	21
Total Current Assets	14,132	11,271
Total Assets	876,995	890,291
Liabilities and Capital Funds		
Current Liabilities		
Trade and Other Payables - Exchange Transaction	2	2
Trade and Other Payables - Non-Exchange Transaction	541	330
Total Current Liabilities	543	332
Non-Current Liabilities		
Federal Government Loans	675,821	675,821
Debt Management Office (DMO) Loan	-	-
Loan from China Government	-	-
Federal Government Fund	381,552	369,246
Total Non-Current Liabilities	1,057,373	1,045,067
Total Liabilities	1,057,915	1,045,399
Total Assets Less Total Liabilities	(180,920)	(155,108)
Net Assets/Capital Funds		
Capital Reserve Account	51	51
Federal Government Capital Fund	433	5,370
Fair Value Reserve - OCI	2,522	2,522
Accumulated Revenue Fund	(183,927)	(163,051)
	(180,920)	(155,108)
Total Capital Funds and Liabilities	876,995	890,291

Asset Ratios	2023	2022	%Δ
Return on average assets (RoA)	-2.8%	-2.3%	-23.0%
Asset Turnover	2.2%	1.5%	45.5%
CapEx to Revenue Ratio	2219.1%	3311.7%	-33.0%
Liquidity			
Cash to total assets ratio	0.4%	0.1%	493.7%
Current ratio	26.04x	33.95x	(23.3%)
Quick ratio	16.08x	17.96x	(10.5%)
Leverage			
Total Liabilities to Capital Funds	(5.85x)	(6.74x)	-13.2%
Total Liabilities to total assets	1.21x	1.17x	2.7%
Capital Funds-to-asset	(0.21x)	(0.17x)	-18.4%

Return on average assets (RoA) decreased from -2.3% in 2022 to -2.8% in 2023, showing less effective utilisation of the asset base to generate revenue. Despite higher revenue in 2023, the worsening net deficit underscored inefficiencies in converting assets into income.

Asset turnover improved from 1.5% in 2022 to 2.2% in 2023, driven by a significant increase in revenue (+43.8%). This indicates better utilisation of assets to generate revenue.

CapEx to revenue ratio decreased from 3311.7% in 2022 to 2219.1% in 2023, reflecting higher revenue against relatively stable capital expenditure. However, the exceedingly high ratio indicates significant investments in property, plant, and equipment with limited immediate returns.

Liquidity ratios showed mixed results, with the **cash-to-total-assets ratio** improving from 0.1% in 2022 to 0.4% in 2023, driven by higher cash balances. However, both the current ratio (26.04x) and **quick ratio** (16.08x) declined slightly but remained strong, highlighting the organisation's ability to meet short-term obligations despite low liquidity reserves.

Leverage ratios indicate persistent financial challenges, with **total liabilities to capital funds** improving slightly from -6.74x in 2022 to -5.85x in 2023, while **total liabilities to total assets** worsened to 1.21x, reflecting excessive liabilities relative to assets. The **capital funds-to-asset ratio** moved from 0.17x in 2022 to -0.21x in 2023, underscoring significant capital deficits and the need for urgent financial restructuring.

Company Name: PFI-NPK LIIMITED
Primary Industry: Agrochemical
Establishment Date: 30 September 2021
Company Address: The Clan Place, Plot 1386 Tigris crescent Maitama, Abuja
Website:
RC Number: N/A

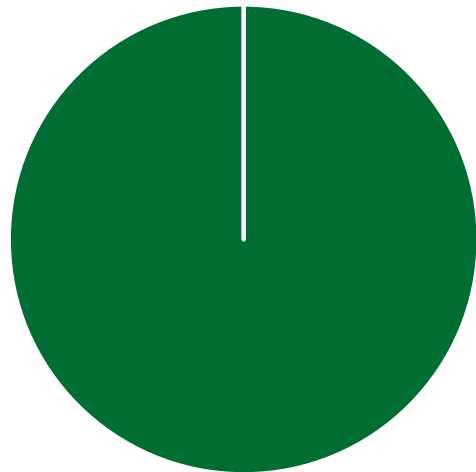
Industry overview

The agrochemical industry is vital to Nigeria's agricultural transformation, playing a key role in enhancing productivity, sustainability, and food security. Fertilizers, in particular, are crucial for improving soil fertility and increasing crop yields, enabling farmers to meet the growing demand for staple crops such as cassava, maize, rice, and cocoa. Despite its importance, the industry faces challenges, including limited access to quality inputs, inadequate distribution networks, and rising production costs. To address these issues, government policies and private sector initiatives, such as input subsidy programs, investment in local production facilities, and farmer education, are driving growth and accessibility. With Nigeria's vast arable land and increasing focus on agricultural innovation, the Agrochemical sector is poised to be a key driver of economic development, rural empowerment, and export diversification.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Mr. Tajudeen Ahmed	Director
2	Mr. Femi Ogunseinde	Director

Company Shareholding Composition



100% Ministry of Finance Incorporated (MOFI)

Overview of activities

PFI-NPK Limited (formerly known as NAIC-NPK Limited) was established to stimulate local production of NPK fertilizer by reviving the local blending fertilizer industry, making fertilizer available for Nigerian farmers at affordable prices, and ensuring NPK fertilizer is available for farmers in time for wet season farming. PFI-NPK Limited was set up by the Nigeria Sovereign Investment Authority of Nigeria (NSIA) through its subsidiaries NSIA Agricultural Investment Company Limited (NAIC) and NSIA property Investment Company Limited

2023 Key events

- PFI-NPK Limited delivered over 670,000 metric tonnes of NPK in 2023 and is making substantial progress towards delivering 1,000,000MT of NPK in 2024 PFI cycle.

Dividend Declared

N/A

Public policy objectives

The public policy objectives assigned by the FGN to PFI-NPK Limited is to boost local production of NPK fertilizer by reviving dormant plants, creating employment opportunities, and ensuring affordable access to fertilizers for Nigerian farmers. By increasing agricultural output, PFI-NPK Limited seeks to enhance food security, reduce food-induced inflation, and stimulate economic activities along the agricultural value chain. Additionally, PFI-NPK aims to promote foreign exchange savings through import substitution, reduce government expenditure on agricultural logistics, and facilitate savings on fertilizer subsidies.

Income Statement

<i>in millions on naira</i>	2023	2022
Revenue	182,204	178,539
Cost of Sales	-156,909	-156,147
Gross profit	25,296	22,392
Net Foreign Exchange Loss	-1,339	-334
Impairment (Charge)/Write Back on Assets	-3,054	1,218
Administrative Expenses	-3,058	-5,858
Operating profit	17,844	17,418
Investment Income	122	35
Other Income	1,471	3,514
Interest Expense	-5,720	-4,221
Profit Before Tax	13,718	16,746
Income Tax Expense	-4,295	-5,432
Profit for the Year	9,423	11,314
Total Comprehensive Income for the Year	9,423	11,314
Total Comprehensive Income Attributable	9,423	11,314

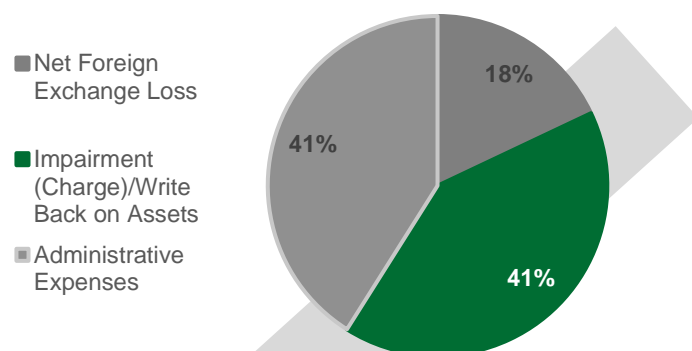
Profitability and Efficiency	2023	2022	%Δ
Gross profit margin	13.9%	12.5%	11.2%
Operating profit margin	9.8%	9.8%	0.0%
Net profit margin	5.2%	6.3%	(17.5%)
Profit before tax (PBT) growth	(18.1%)	67.5%	(126.8%)
Profit after tax / Net profit growth	(16.7%)	13.2%	(226.5%)

Net Profit growth: The net profit of PFI-NPK Limited showed a decrease from ₦11.3 billion in 2022 to ₦9.42 billion in 2023, representing a decrease in percentage of 16.7%. This decline was primarily driven by an increase in impairment charges and net foreign exchange losses.

Net profit margin: PFI-NPK Limited's net profit margin declined from 6.3% in 2022 to 5.2% in 2023, reflecting a reduction in profitability.

Gross profit margin: PFI-NPK Limited's gross profit margin increased slightly from 12.5% in 2022 to 13.9% in 2023, signifying an improvement in revenue generation during the period under review.

Operating Expenses



Profitability Performance: - PFI-NPK Limited's operating profit recorded a slight increase of 2.4%, rising from ₦17.4 billion in 2022 to ₦17.8 billion in 2023. However, profit before tax experienced a notable decline of 18.1%, dropping from ₦16.8 billion in 2022 to ₦13.7 billion in 2023, driven by higher operational expenses. Additionally, the net profit decreased significantly by 16.7%, falling from ₦11.3 billion in 2022 to ₦9.42 billion in 2023.

Key Metrics



Statement of Financial Position		
<i>in millions on naira</i>	2023	2022
Assets		
Cash and Cash Equivalents	52,651	30,074
Investments	0	
Trade Receivables	22,274	52,742
Other Receivables	8,657	2,746
Inventories	29,748	45,266
Deferred Tax Assets	1,008	0
Total Assets	114,339	130,828
Liabilities		
Non-Current Liabilities		
Other Payables	0	0
Borrowings	0	5,172
Total Non-Current Liabilities	-	5,172
Current Liabilities		
Trade Payables	261	303
Other Payables	45,026	49,639
Deferred Tax Liabilities	0	192
Interest Bearing Borrowings	28,432	46,230
Interest-Bearing Short-Term Borrowings	4,565	7,769
Current Tax Liabilities	10,377	5,269
Total Current Liabilities	88,661	109,402
Total Liabilities	88,661	114,573
Equity		
Share Capital	1	1
Accumulated Loss	25,677	16,254
Total Equity	25,678	16,255
Total Equity and Liabilities	114,339	130,828

Profitability and Efficiency	2023	2022	%Δ
Return on average equity (RoAE)	65.4%	158.0%	(58.6%)
Return on average assets (RoA)	11.2%	12.8%	(12.5%)
Asset Turnover	148.6%	136.6%	8.8%
Liquidity			
Cash to total assets	46.05%	22.99%	100.3%
Leverage			
Total liabilities to Equity Ratio	3.5x	7.0x	(51.0%)
Total liabilities to total assets	0.8x	0.9x	(11.5%)
Equity to total asset	0.2x	0.1x	80.8%

Cash to Total Assets: PFI-NPK's cash to total assets resulted in an increase from **22.99%** in 2022 to **46.05%** in 2023. This might indicate a strategic shift toward liquidity preservation, reduced capital expenditure, or improved cash generation. However, holding too much cash could imply underutilized resources.

Return on Average Assets: The return on average assets (RoAE) showed a significant decrease from **158.0%** in 2022 to **65.4%** in 2023. This indicates a significant decline in the PFI-NPK Limited's ability to generate profits from the equity invested. This is as a result of reduced net income. While 65.4% is still strong, the sharp decline might warrant a review of profitability trends and operational efficiency.

Return on Average Assets: The return on average assets (ROA) reduced from **12.8%** in 2022 to **11.2%** in 2023. The decline suggests a slight decrease in asset efficiency or profitability. While the drop is less pronounced than RoAE, it still reflects potential challenges in maintaining high profitability relative to the total assets employed.

Asset Turnover: Asset turnover increased from **136.6%** in 2022 to **148.6%** in 2023, this shows an improvement in efficiency of utilizing assets to drive revenue. This improvement is as a result of higher revenue generation and better asset management practices.

Company Name: Royal Eswatini Sugar Corporation Limited (RES Corporation)

Primary Industry: Agriculture

Establishment Date: Originally registered in 1955 as Mhlume (Swaziland) Sugar Company Limited

Company Address: Simunye Sugar Estate, Eswatini

Website: www.res.co.sz

RC Number: N/A

Overview of activities

The Royal Eswatini Sugar Corporation (RES) is a leading agri-business in Eswatini focused on sugar and ethanol production for both domestic and international markets. Located in the lowveld region, RES manages extensive estates that produce approximately two-thirds of the nation's sugar and over 35 million litres of ethanol annually.

Beyond sugar production, RES also produces high-grade ethanol for beverages and pharmaceuticals, feints for methylated spirits and bio-gels, and molasses for liquid fertilisers. Driven by its vision to lead Africa's future in sustainable sugar and renewable products, RES is a key player in Eswatini's agricultural sector, with a mission to sustainably add value for all stakeholders.

2023 Key events

- RES approved a 10 MW Solar PV project for the Mhlume Sugar Estate aimed at enhancing energy security through renewable energy investments and improving operational stability amid regional power constraints.
- RES advanced its growth strategy by developing approximately 850 hectares of new sugar cane land and upgrading parts of its milling infrastructure, funded by 75% debt, to enhance production capacity and operational efficiency.
- RES strengthened its product portfolio by acquiring a 35% stake in Enviro Applied Products, expanding its offerings in agricultural inputs with liquid fertilizers.

Dividend Declared

RES declared a dividend of 53.5 cents per share for the year ended 31 March 2023. This dividend reflects RES's continued commitment to delivering value to shareholders, despite a challenging year.

Public policy objectives

The Company aims to support MSMEs and small corporations in Nigeria by offering financing and credit guarantees to qualified intermediaries, ensuring market compliance and financial sustainability.

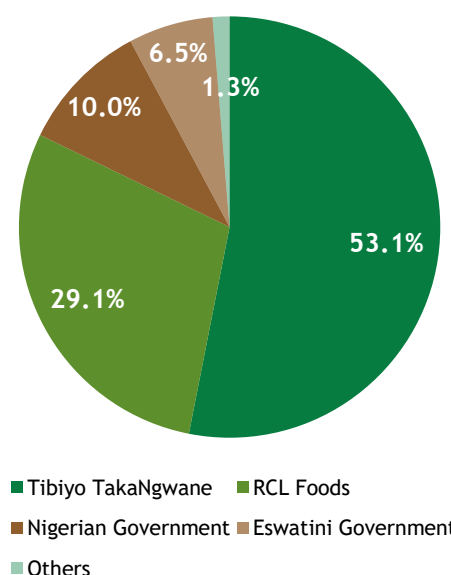
Sector overview

The Agricultural sector in Eswatini is central to the country's economy, serving as a primary source of employment, income, and export revenue. Focused on high-value crops like sugarcane, the sector supports thousands of rural households and contributes significantly to food security. To address challenges like climate change and economic pressures, agricultural enterprises are adopting advanced irrigation, renewable energy, and sustainable farming techniques to ensure resilience. Sugarcane production remains essential due to its socio-economic impact, facilitating local employment and regional trade, and aligning with Eswatini's goals for poverty reduction, rural development, and climate adaptation.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Dr. Absalom T. Dlamini	Chairman
2	Mr. Nick Jackson	Managing Director
3	Ms. Busangani Mkhaliphi	Independent Director
4	Chief Zibuse Ndlangamandla	Independent Director
5	Mr. Jameson Gule	Independent Director
6	Mr. Robert Field	Independent Director
7	HRH Princess Lomajuba	Independent Director
8	Mr. Andrew Westermeyer	Independent Director
9	Mr. Gerhard van der Walt	Independent Director
10	Mr. Zombodze Magagula	Independent Director
11	Mr. Mike Shongwe	Independent Director
12	Mr. Sylva Okolieaboh	Independent Director

Company Shareholding Composition



Income Statement

	2023	2022
	E'000	E'000
Revenue	4,146,053	3,627,535
Cost of sales	(3,433,460)	(2,858,510)
Change in fair value of biological assets	(70,344)	67,802
Gross (loss) profit	642,249	836,827
Other income	87,100	78,824
Distribution expenses	(10,575)	(8,382)
Administration expenses	(487,242)	(520,967)
Impairment loss on trade receivables	(99)	(637)
Operating Profit/(loss)	231,433	385,665
Finance income	16,100	20,693
Finance cost	(24,181)	(31,678)
Net finance cost	(8,081)	(10,985)
Share of profit of equity accounted associate companies (net of income tax)	18,338	28,617
Profit before taxation	241,690	403,297
Income tax	(63,942)	(105,315)
Profit for the year attributable to owners of the Company	177,748	297,982
Other comprehensive income (OCI)		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit liabilities	1,083	6,400
Related deferred tax	(298)	(1,760)
Other comprehensive income, net of tax	785	4,640
Total comprehensive Profit/(loss) for the year	178,533	302,622
Earnings per share		
Basic and diluted earnings per share (cents)	184.5	309.3

Key indicators	2023	2022	%Δ
Gross profit margin	15.5%	23.1%	(32.9%)
Operating profit margin	5.6%	10.6%	(47.5%)
Net profit margin	4.3%	8.2%	(47.8%)
Gross profit growth	(23.3%)	(20.4%)	14.2%
Operating profit growth	(40.0%)	(40.2%)	(0.5%)
Profit before tax (PBT) growth	(40.1%)	(41.6%)	(3.8%)
Profit after tax / Net profit growth	(40.3%)	(41.1%)	(1.8%)

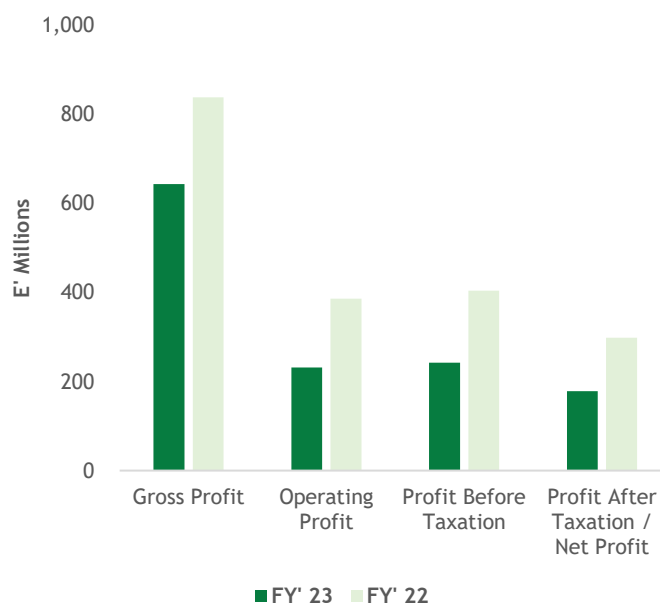
Source: RES 2023 Audited Accounts

Revenue Growth: Revenue grew to approximately E'4.2 billion in 2023 from E'3.6 billion in 2022, marking a growth rate of 14.3%. This increase was achieved despite challenging market conditions, including adverse climate impacts and elevated input costs. Higher sugar prices supported the revenue growth, partially offsetting operational pressures, which speaks to RES's effective response to market fluctuations.

Comprehensive Income Analysis: Total comprehensive income declined, reflecting the operational and financial challenges faced during the year. Other comprehensive income items included remeasurements of defined benefit liabilities, adjusted to a net gain of E'785 million, which contributed positively to total equity. This adjustment underscores RES's efforts to strengthen its balance sheet amid economic pressures.

Profitability: Operating Profit Margin declined to 5.6% in 2023 from 10.6% in 2022, a decrease of about 47.5%. This decline was mainly due to increased costs in harvesting and milling, caused by weather disruptions and high fuel prices stemming from global geopolitical tensions. The **Gross Profit Margin** also fell to 15.5% from 23.1%, reflecting increased cost pressures that outweighed revenue growth, highlighting a need for enhanced efficiency measures and cost management. **Profit before tax** fell from E'403.3 million in 2022 to E'241.7 million in 2023, representing a decline of about 40.1%, primarily due to decreased gross profit, increased distribution expenses, and reduced contributions from biological asset valuations and associate company profits. **Profit attributable to shareholders** declined from E'303 million in 2022 to E'179 million in 2023, representing a 41% reduction. The decline was driven by factors such as rising production costs, climate-related challenges, and socio-political disruptions.

Key Metrics



Statement of Financial Position

E' in millions	2023	2022
	E'000	E'000
Assets		
Non-Current Assets		
Property, plant and equipment	2,628,966	2,228,442
Goodwill	286,481	286,481
Intangible assets	49,739	50,863
Investment in subsidiaries	0	0
Equity accounted investees	212,744	194,643
Derivative assets	2,006	0
Deferred tax assets	8	33
Total non-current assets	3,179,944	2,760,462
Current Assets		
Inventories	214,345	174,558
Biological asset - growing cane	745,029	816,272
Biological asset- livestock	19,522	18,623
Trade and other receivables	392,263	330,687
Derivative assets	3,160	0
Taxation prepaid	24,154	21,259
Cash and bank balances	38,597	71,903
Total current assets	1,437,070	1,433,302
Total assets	4,617,014	4,193,764
Liabilities		
Non-Current Liabilities		
Deferred tax liability	609,743	546,652
Loans and borrowings	474,427	286,489
Employee benefit liabilities	93,303	98,300
Derivatives	0	2,399
Total non-current liabilities	1,177,473	933,840
Current Liabilities		
Trade and other payables	418,158	394,677
Short term employee benefit liabilities	74,701	92,965
Derivative liabilities	0	2,352
Bank overdraft	89,558	0
Current portion of loans and borrowings	127,133	76,890
Current tax liabilities	638	25,257
Dividends payable	0	65,418
Total current liabilities	710,188	657,559
Total Liabilities	1,887,661	1,591,399
Equity		
Share capital	128,639	128,639
Share premium	632,379	632,379
Preference share redemption reserve	78,104	78,104
Retained earnings	1,890,231	1,763,243
Total Equity	2,729,353	2,602,365
Total Liabilities and Equity	4,617,014	4,193,764

Key indicators	2023	2022	%Δ
Efficiency			
Return on average equity (RoAE)	6.7%	11.9%	(43.7%)
Return on average assets (RoA)	4.0%	7.3%	(44.8%)
Asset Turnover	94.1%	89.0%	5.8%
Growth in PPE	18.0%	18.4%	(2.3%)
Liquidity			
Current ratio	2.02x	2.18x	(7.2%)
Quick ratio	1.72x	1.91x	(10.1%)
Cash ratio	0.05x	0.11x	(50.3%)
Leverage			
Total liabilities to equity	0.69x	0.61x	13.1%
Total liabilities to total assets	0.41x	0.38x	7.7%
Equity to total asset	0.59x	0.62x	(4.7%)

RES demonstrated significant growth in several key financial position metrics amidst external pressures, with **total assets** growing to E'4.6 billion in 2023 from E'4.2 billion in 2022, reflecting a strategic focus on value creation:

- **Biological Assets - Cane:** Valued at E'745 million, representing a slight decrease compared to E'816 million in 2022, influenced by climate impacts on sugarcane production.

- **Property, Plant, and Equipment (PPE):** Investment in PPE increased by 18%, reflecting RES's continued focus on expanding and upgrading operational facilities, such as the Mhlume Mill.

- **Asset Turnover Ratio:** Improved to 94.1%, demonstrating efficient utilisation of assets to generate revenue despite capital-intensive expansions.

Return on Assets (RoA) fell from 7.3% in 2022 to 4% in 2023, reflecting reduced asset utilisation efficiency.

Total equity grew to E'2.7 billion from E'2.6 billion, highlighting a solid retained earnings position and increased capital reserves. However, **Return on Average Equity (RoE)** dropped to 6.7% from 11.9%, impacted by the increased costs affecting shareholder returns. RES has implemented cost-saving initiatives, including upgrades to its distillery plant to reduce energy consumption, which are expected to benefit long-term profitability.

Current Ratio declined slightly to 2.0x from 2.2x, suggesting stable but slightly reduced liquidity due to increased short-term obligations.

Total Liabilities to Equity Ratio rose to 69.2% from 61.2%, indicating an increase in leverage from debt-funded expansions, although remaining within a manageable range. **The Total Liabilities to Total Assets Ratio** saw an increase from 37.9% to 40.9x, a 7.7% increase, leading to a higher leverage position. These increased leverage could imply that the company is taking on more debt relative to its asset base, which could be a strategic move to finance growth or could be a sign of financial stress if the company is not managing its debt effectively.

Company Name: The Infrastructure Bank
Primary Industry: Development Finance Institution
Establishment Date: 1992
Company Address: Plot 977 Central Business District, Abuja
Website: <https://tibplc.com/>
RC Number: N/a

Overview of activities

The Infrastructure Bank Plc, formerly Urban Development Bank of Nigeria Plc, was established under Decree 51 to accelerate infrastructure development. It operates as a private sector-led, government-sponsored Development Finance Institution (DFI), previously owned by all government tiers, the Nigeria Labour Congress, and the private sector. The Bank raises and manages funds for infrastructure projects in transportation, power, housing, urban infrastructure, and municipal finance, offering tailored financial solutions and contributing to development strategy and policy.

2023 Key events

- Norrenberger acquired 60% stake in TIB.
- The bank successfully raised ₦5 billion through a Rights Issue, marking a significant milestone in repositioning its capital base towards the targeted ₦50 billion.

Dividend Declared

N/A

Public policy objectives

The Infrastructure Bank (TIB) in Nigeria was established to address infrastructure deficits by mobilizing private sector funding. Its mandate is to develop urban systems and foster sustainable growth across key sectors such as transportation, energy, housing, and municipal services. One of the key public policy objectives assigned by the Federal Government of Nigeria (FGN) is to bridge the financing gap between available public funds and the actual capital required for infrastructure development. TIB achieves this through public-private partnerships (PPPs), in line with the National Integrated Infrastructure Master Plan (NIIMP), focusing on private sector collaboration for long-term infrastructure solutions.

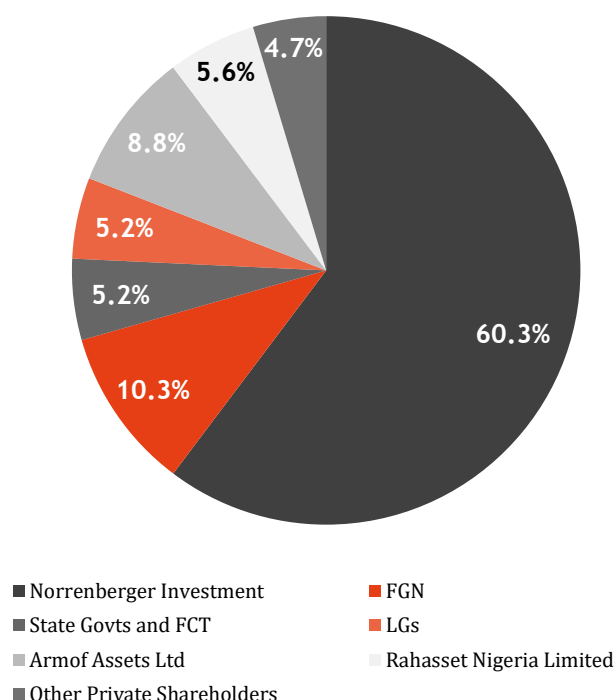
Sector overview

Development Finance Institutions (DFIs) are specialized entities focused on providing long-term capital to projects that drive economic development, particularly in emerging markets. In Nigeria, DFIs like The Infrastructure Bank (TIB) play a pivotal role in bridging infrastructure gaps by financing critical sectors such as transportation, energy, and housing. DFIs typically operate through public-private partnerships (PPPs), mobilizing private capital for large-scale projects that public funds alone cannot support. By offering equity, loans, and financial advisory services, DFIs contribute significantly to the achievement of national development goals.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Aliyu Ibrahim Bala	Chairman
2	Nkiru Chime	Acting MD
3	Ayuli Jemide	Non-Executive Director
4	Andrew Nweke Chikwelu	Non-Executive Director
5	Ali Muhammed	Non-Executive Director
6	Ivie Ivana Osagie	Non-Executive Director
7	Mfon Ekong Usoro	Independent Non-Executive Director

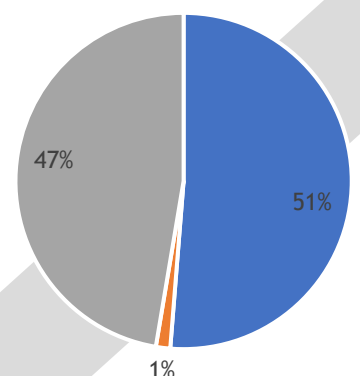
Company Shareholding Composition



Income Statement		
<i>In millions of Naira</i>	2023	2022
Gross earnings	1,947	1,112
Interest income calculated using effective interest method	19	7
Interest Expense	(14)	-
Net interest income	5	7
Fees and commission income	646	469
Net fees and commission income	646	469
Other income	848	58
Fair value gain on investment properties	434	577
Operating income	1,933	1,112
Writeback/(Impairment) on financial assets	(2,809)	(2,876)
Net operating income net of impairment losses	(876)	(1,764)
Personnel expenses	(294)	(293)
Depreciation and amortisation	(8)	(6)
Other operating expenses	(272)	(348)
Total expenses	(573)	(648)
Operating loss	(1,450)	(2,412)
Loss before minimum tax and income tax	(1,450)	(2,412)
Minimum tax	-	(13)
Income Tax	91	-
Loss for the year	(1,359)	(2,425)
Other comprehensive income, net of income tax		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation gain on property and equipment	120	-
Tax Impact on Revaluation Gain	12	-
	132	-
Total comprehensive Income/(loss) for the year	(1,227)	(2,425)
Loss attributable to:		
Equity holders of the Bank	(1,347)	(2,397)
Non-controlling interest	(12)	(27)
Loss for the year	(1,359)	(2,425)
Total comprehensive loss attributable to:		
Equity holders of the Bank	(1)	(2,397)
Non-controlling interest	(0)	(27)
Total comprehensive Income/(loss) for the year	(1)	(2,425)

Net Interest Income Growth dropped from 183.7% in 2022 to -37.8% in 2023. Although interest income rose to ₦18.66 million, it was overshadowed by a significant increase in interest expense to ₦14.08 million, indicating a need for more efficient funding strategies.

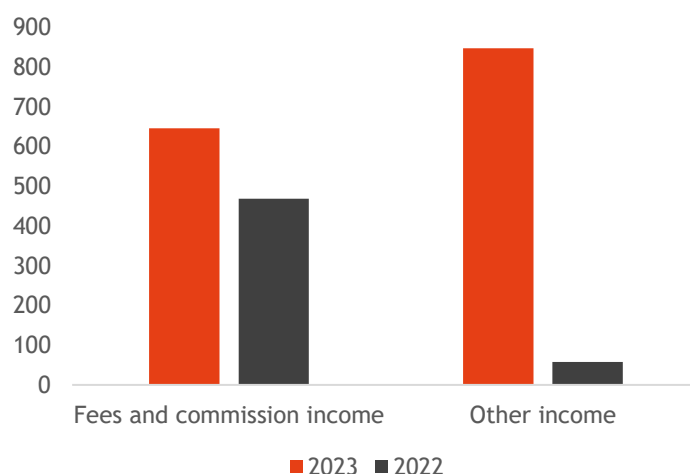
Operating Expenses



- Personnel expenses
- Depreciation and amortisation
- Other operating expenses

Net Interest Margin (NIM) fell sharply from 2.7% in 2022 to 0.2% in 2023. This decline reflects rising funding costs and reduced profitability of interest-earning assets, highlighting the need for better asset-liability management and improved yield on assets

Key Metrics



Statement of Financial Position		
In millions of Naira	2023	2022
Assets		
Cash and cash equivalents	3,476	233
Loans and advances to customers	0	0
Fee income receivables	3	3
Other assets	58	2,964
Investment in subsidiaries	-	-
Current tax assets	-	-
Investment Properties	2,740	2,306
Property and equipment	556	410
Intangible assets	17	1
Total assets	6,849	5,917
Liabilities		
Borrowings	450	200
Provisions and accruals	136	117
Employee benefits	103	272
Current tax liabilities	69	12
Deferred tax liabilities	286	446
Other liabilities	4,471	5,309
Deposit for Shares	3,035	35
Total liabilities	8,550	6,391
Equity		
Share capital	3,103	3,103
Capital contribution reserve	1,391	1,391
Revaluation reserves	1,301	1,181
Accumulated losses	(8,805)	(7,470)
Total equity attributable to owners of the Bank	(3,009)	(1,794)
Non-controlling interest	1,309	1,320
Total Equity	(1,701)	(474)
Total liabilities and equity	6,849	5,917

Earnings, Profitability and Efficiency	2023	2022	%Δ
Yield on Earning assets (YoA)	1.0%	2.7%	(62.8%)
Cost to income ratio (CIR)	29.7%	58.3%	(49.1%)
Return on average equity (RoAE)	-125.0%	-328.4%	61.9%
Return on average assets (RoA)	-21.3%	-32.7%	34.8%
Capital Adequacy and Liquidity			
Capital Adequacy Ratio	-58%	-171%	66.1%
Cash to total assets ratio	50.8%	3.9%	1189.2%
Debt (Total liabilities)			
Debt-to-Equity	-5.03x	-13.49x	62.7%
Debt ratio	124.8%	108.0%	15.6%
Equity-to-asset	-24.8%	-8.0%	210.0%

Yield on Earning Assets (YoA) decreased from 2.7% in 2022 to 1.0% in 2023, indicating reduced profitability from the bank's interest-earning assets. This decline is primarily due to low interest income relative to the value of assets available for income generation.

Cost to Income Ratio (CIR) improved, decreasing from 58.3% in 2022 to 29.7% in 2023, reflecting better cost efficiency. This improvement was driven by higher gross earnings and reduced operating expenses.

Return on Average Equity (RoAE) improved from -328.4% in 2022 to -125.0% in 2023, though it remains negative. This improvement reflects a reduction in losses for the year but underscores ongoing challenges with equity erosion due to accumulated losses. The bank must improve profitability to achieve positive returns and stabilise equity.

Return on Average Assets (RoA) improved slightly from -32.7% in 2022 to -21.3% in 2023, indicating a narrower loss relative to the bank's total assets.

Capital Adequacy Ratio improved from -171% in 2022 to -58% in 2023, reflecting better equity levels relative to risk-weighted assets. However, the negative ratio remains concerning and indicates insufficient capital to absorb potential losses.

Debt-to-Equity ratio improved from -13.49 in 2022 to -5.03 in 2023, reflecting a reduction in reliance on debt relative to equity. However, the negative ratio is caused by the bank's negative equity position (N-1,701 million) in 2023 compared to (N-474million) in 2022.

Debt Ratio increased from 108.0% in 2022 to 124.8% in 2023, indicating higher liabilities relative to total assets. This reflects a growing dependence on borrowed funds to finance operations, which could pose solvency risks if not managed carefully.

Equity-to-Asset ratio improved from -8.0% in 2022 to -24.8% in 2023, though it remains negative. This reflects a worsening equity deficit compared to total assets due to accumulated losses, highlighting the need for immediate capital injection to restore financial stability and shareholder value

Company Name: Transcorp Hotels

Primary Industry: Hospitality

Establishment Date: July 1994

Company Address: 1 Aguiyi Ironsi, Maitama, FCT, Abuja, Nigeria

Website: www.transcorphotels.com

RC Number: 248514

Overview of activities

Transcorp Hotels Plc, a subsidiary of Transnational Corporation of Nigeria (Transcorp), is a leading hospitality company in Nigeria focused on providing premium hotel and leisure services. Established in 1994, Transcorp Hotels is best known for operating the Transcorp Hilton Hotel in Abuja, one of the most iconic hotels in the country, and Transcorp Hotels Calabar, which caters to business and leisure travelers in southern Nigeria.

Transcorp Hotels engages in hospitality services, including accommodation, conferencing, dining, and recreational facilities, all aimed at delivering a world-class experience. It partners with renowned hospitality brands to enhance service quality and elevate guest experiences. Through its properties, Transcorp Hotels aims to contribute to Nigeria's tourism sector and drive economic growth by providing exceptional hospitality and attracting both local and international guests.

2023 Key events

- Transcorp Hotels reached a historic milestone by becoming the first Nigerian hospitality company to surpass a N1 trillion market capitalization.
- Transcorp Hotels begins development of a new 5,000-capacity event center at Transcorp Hilton Abuja, slated to open in 2024.

Dividend Declared

The proposed dividend as of 31 December 2023 was N2,048,505,682.20 (31 December 2022: N1,331,528,693.43). The basis of the proposed dividend is 20 kobo per ordinary share.

Public policy objectives

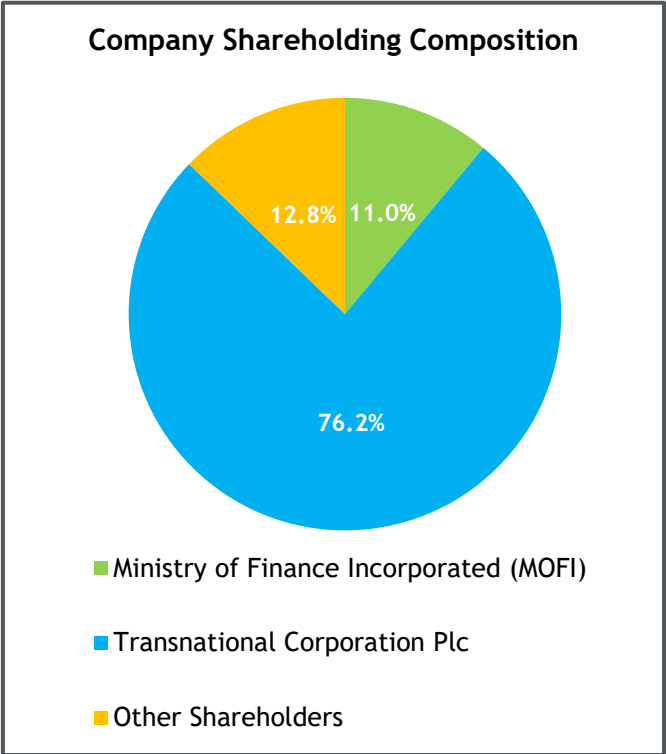
Transcorp supports tourism promotion, attracting both domestic and international visitors. Through its investments in hotel facilities, Transcorp Hotels supports infrastructure development, improving Nigeria's tourism and business environment.

Industry overview

Nigeria's Hospitality sector is rapidly expanding, driven by urbanization, a growing middle class, and increased business and leisure travel. Major cities like Lagos, Abuja, and Port Harcourt are seeing a rise in high-end hotels and accommodations aimed at meeting the demands of both international and domestic tourists. The government's initiatives to boost tourism, such as visa reforms and infrastructure improvements, are also enhancing the sector's growth. The sector's potential is substantial, with ongoing investments and partnerships aimed at capitalizing on Nigeria's status as Africa's largest economy.

Corporate information

Board Composition (2023 Audited Annual Report)		
S/N	Name	Position
1	Emmanuel Nnorom	Chairman
2	Dupe Olusola	Managing Director
3	Owen D. Omogiafo OON	Non-Executive Director
4	Peter Elumelu	Non-Executive Director
5	Bolanle Onagoruwa	Independent Non-Executive Director
6	Garba Abubakar	Independent Non-Executive Director
7	Adesimbo Ukiri	Non-Executive Director
8	Oluwatoyin S. Madein	Non-Executive Director



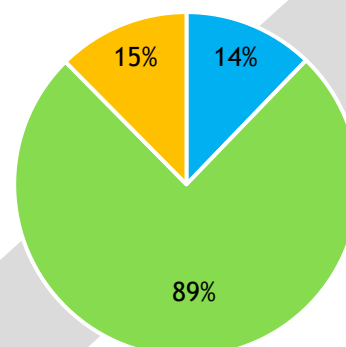
Income Statement

NGN in Thousands	2023	2022
Income from:		
Revenue	41,455,877	30,439,219
Cost of sales	(11,670,493)	(8,701,732)
Gross profit	29,785,384	21,737,487
Other operating income	1,605,855	961,918
Impairment gains/(losses) on financial assets	21,862	(68,573)
Impairment losses on non-current assets	(1,011,644)	-
Operating expenses	(17,257,256)	(13,863,869)
Operating profit	13,144,201	8,766,963
Finance costs	(3,904,012)	(4,141,497)
Finance income	241,864	8,557
Profit before tax	9,482,053	4,634,023
Income tax	(3,228,087)	(1,771,540)
Profit for the year from continuing operations	6,253,966	2,862,483
Discontinued Operations		
Loss for the year from discontinued operations	(160,854)	(244,588)
Profit for the year	6,093,112	2,617,895
Profit of the year attributable to:		
Owners of the Company	6,155,985	2,677,731
Non-Controlling interests	(62,873)	(59,836)
	6,093,112	2,617,895
Other comprehensive income/(loss)		
Actuarial gains and (losses) arising from changes in Discount Rate Assumption	28,033	-
Actuarial gains and (losses) arising from changes in Exchange Rate Assumption	(81,823)	-
Actuarial gains and (losses) arising from experience adjustments	(2,702)	-
Tax credit on actuarial gains/losses	18,642	-
Total other comprehensive income for the year	(37,850)	-
Total comprehensive income for the year	6,055,262	2,617,895
Attributable to:		
Owners of the Company	6,118,135	2,677,731
Non-controlling interests	(62,873)	(59,836)
	6,055,262	2,617,895
Earnings per share		
Basic earnings per share (kobo)	60	26
Diluted earnings per share (kobo)	60	26

Key indicators	2023	2022	% Δ Growth
Net profit margin	15.09%	9.40%	60%
Cost to income ratio (CIR)	10.60x	15.52x	(32%)
Return on average assets (RoA)	4.94%	2.22%	123%
Asset Turnover	33.62%	25.75%	31%

Revenue Growth - Revenue increased to ₦41.5 billion in 2023 from ₦30.3 billion in 2022, reflecting a growth rate of 36%. This upward trend can be attributed to the heightened business activities during the electoral season, particularly surrounding the presidential elections in February 2023.

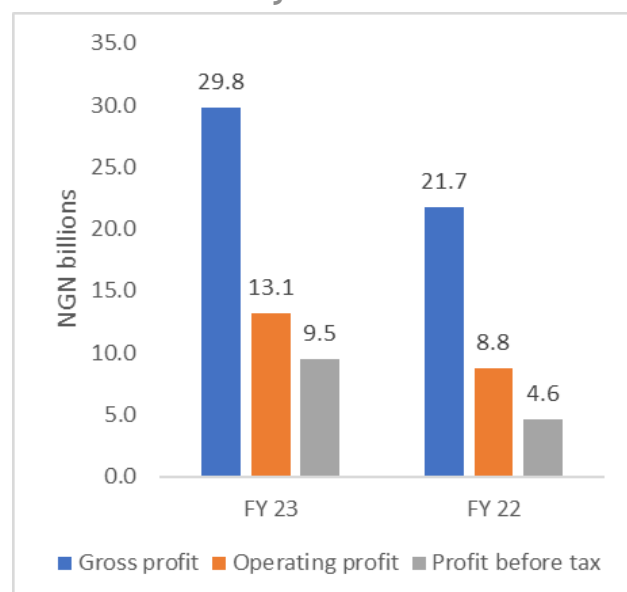
Operating Expenses



- Personnel expenses
- General and administrative expenses
- Depreciation and amortization

Profitability: The gross profit for Transcorp Hotels Plc. reached ₦29.8 billion, an increase of 37% from ₦21.7 billion in the previous year. The implementation of cost efficiency strategies and focus on revenue generation played pivotal roles in delivering the positive outcomes. Consequently, the Group attained a Significant PBT performance of ₦9.5 billion in 2023, 105% higher than the ₦4.6 billion in 2022.

Key Metrics



Statement of Financial Position

In thousands of Naira	2023	2022
Assets		
Non-current assets		
Property, plant and equipment	107,814,320	107,971,345
Investment property	-	-
Goodwill	-	1,974,756
Intangible assets	139,601	158,856
Investment in subsidiaries	-	-
Other investment	300,075	300,075
Long term receivables	-	-
	108,253,996	110,405,032
Current assets		
Inventories	645,564	616,624
Trade and other receivables	4,312,727	3,220,475
Prepayments	1,005,188	1,062,154
Cash and bank balances	8,978,578	5,183,097
	14,942,057	10,082,350
Assets classified as held for sale	2,898,863	-
	17,840,920	10,082,350
Total assets	126,094,916	120,487,382
Equity and Liabilities		
Equity		
Share capital	5,121,264	5,121,264
Share premium	12,548,859	12,548,859
Other reserves	(37,850)	-
Retained earnings	49,314,490	45,207,011
Equity attributable to owners of the Company	66,946,763	62,877,134
Non-controlling interest	(150,393)	(87,520)
Total equity	66,796,370	62,789,614
Liabilities		
Non-current liabilities		
Borrowings	13,589,678	16,113,199
Deferred income	1,100,082	1,544,322
Contract liabilities	1,986,730	2,139,555
Deposit for shares	2,410,000	2,410,000
Defined benefit liability	211,836	161,705
Deferred tax liability	7,689,046	6,023,475
	26,987,372	28,392,256
Current liabilities		
Trade and other payables	22,530,829	20,125,593
Current tax liabilities	1,543,851	594,493
Contract liabilities	296,375	258,284
Borrowings	7,065,025	7,846,378
Deferred income	444,000	447,756
Defined benefit liability	32,231	33,008
	31,912,311	29,305,512
Liabilities directly associated with assets classified as held for sale	398,863	-
	32,311,174	29,305,512
Total liabilities	59,298,546	57,697,768
Total equity and liabilities	126,094,916	120,487,382

Source: Transcorp Hotels 2023 Audited accounts

The **cost-to-income ratio**, a measure of operating efficiency, decreased slightly from 15.5x to 10.6x. This suggests a marginal decrease in operating costs relative to income.

The Return on Assets (RoA) also increased to 4.9% from 2.2%, indicating effective management of total assets to generate earnings.

Cash and Cash Equivalents saw a notable ₦3.8 billion increase to circa ₦9 billion from ₦5 billion. This increase suggests enhanced liquidity for Transcorp, allowing it to better meet short-term obligations and finance immediate operational needs. This increase could indicate stronger operating cash flow, driven by improved sales, profitability, or cost management, which is a positive sign for the company's core business activities.

Property plant and equipment saw a slight decrease to ₦107.8 billion from ₦108 billion, suggesting minimal depreciation or asset disposals, indicating that Transcorp Hotels Plc. may be maintaining its current level of investment in physical assets without significant new capital expenditures. This stability could imply a focus on sustaining rather than expanding its asset base.

Total liabilities increased slightly to ₦59 billion from ₦57.7 billion, however borrowings saw a decline by 11% from ₦7.8 billion in 2022 to ₦7 billion in 2023.

Total equity grew to ₦66 billion from ₦62 billion, highlighting a solid retained earnings position and increased capital reserves. The return on equity (ROE) also improved by 5.2% to 9.4% in 2023 from 4.2% in 2022, reflecting enhanced profitability relative to shareholder investments.

Transcorp's capital adequacy ratio slightly increased to 0.5x from 0.3x, suggesting an improvement in the company's financial stability and resilience. It signifies a more robust position for the company in meeting regulatory requirements and sustaining operations during challenging economic conditions.

Total Asset Growth - Transcorp demonstrated significant growth in several key financial position metrics amidst a challenging economic landscape, with total assets increasing by 5% to 126 billion in 2023 from ₦120.5 billion in 2022.

Company Name: Nigerian National Petroleum Company Limited (NNPCL)

Primary Industry: Energy

Establishment Date: September 21, 2021

Company Address : NNPC Towers, Herbert Macaulay Way, Central Business District, Abuja

Website: www.nnpcgroup.com

RC Number: 1843987

Overview of Activities

The Nigerian National Petroleum Company Limited (NNPCL) was incorporated under the Companies and Allied Matters Act (CAMA) following the passage of the Petroleum Industry Act (PIA). The company officially took over the assets and liabilities of the Nigerian National Petroleum Company on July 1, 2022, transitioning into a full-fledged limited liability company. NNPCL's mandate is to operate commercially across all petroleum sectors, including exploration, production, refining, transportation, and product marketing

2023 Key events

- NNPCL reported consolidated revenue of approximately NGN 24 billion, a significant increase from previous years.
- NNPCL continued financing of NNPC's 7.3% interest in Dangote Petroleum Refinery and Petrochemicals Free Zone Enterprise, with outstanding equity payments shifted from crude discounts to cash.
- NNPCL secured financing through the Eagle Project crude oil prepayment facility, enabling NEPL to meet commitments to the Federal Inland Revenue Service and other purposes

Public policy objectives

NNPCL's primary role, as directed by the PIA, is to operate commercially within Nigeria's petroleum industry. The company is tasked with overseeing the Federation's interests in various petroleum assets and partnerships, working to ensure energy security and compliance with governmental policies.

Industry overview

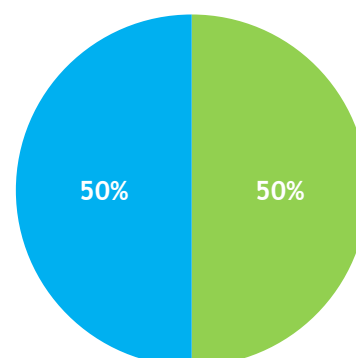
The Energy Sector in Nigeria plays a central role in the nation's economic advancement, with a focus on enhancing energy security, infrastructure development, and sustainable industrialisation. With vast oil and gas reserves, Nigeria's energy sector fuels domestic power needs and drives economic growth through exports. Increasing investments in renewable energy and natural gas infrastructure support Nigeria's goal of diversifying its energy mix. This sector is advancing toward a more resilient and sustainable energy system through modernising oil and gas operations, improving refining capacities, and expanding power generation to meet rising energy demands and align with global energy standards.

Corporate information

Board Composition (2023 Audited Annual Report)

S/N	Name	Position
1	Chief Dr. Pius O. Akinyelure	Chairman
2	Mallam Mele Kolo Kyari	Group CEO/Board Member
3	Amb. Nicholas Agbo Ella	Board Member
4	Mr. Okokon Ekanem Udo	Board Member
5	Alh. Umar Isa Ajiya	Board Member
6	Mr. Ledum Mitee	Board Member
7	Mr. Musa Tumsa	Board Member
8	Mr. Ghali Muhammad	Board Member
9	Prof. Mustapha Aliyu	Board Member
10	Mr. David Ogbodo	Board Member
11	Ms. Eunice Thomas	Board Member

Company Shareholding Composition



■ Ministry of Finance Incorporated (MOFI)

■ Ministry of Petroleum Incorporated (MOPI)

Dividend Declared

N/A

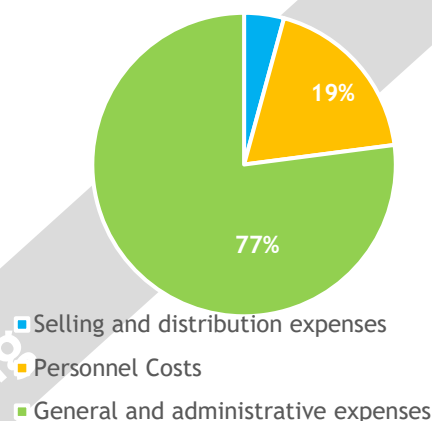
Income Statement

<i>In Millions of Naira</i>	2023	2022
Revenue	23,990,048	8,816,384
Cost of sales	(16,950,969)	(6,705,935)
Gross profit	7,039,079	2,110,449
Selling and distribution expenses	(132,610)	(22,881)
General and administrative expenses	(2,991,144)	(1,704,364)
Net impairment reversal on financial assets	426,778	311,092
Operating profit	4,342,103	694,296
Other income	1,960,004	1,172,558
Finance costs	(441,456)	(73,057)
Finance income	115,555	10,752
	5,976,206	1,804,549
Share of net profit of associates and joint ventures	12,482	1,891
Profit before income tax	5,988,688	1,806,440
Income tax (charge)/ credit	(2,691,296)	717,074
Profit for the year	3,297,392	2,523,514
Profit attributable to:		
Owners of the company	3,294,423	2,521,728
Non controlling interest	2,968	1,786
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	15,950,813	2,177,638
NCI exchange differences on translation of foreign operations	2,744	(177)
Share of other comprehensive loss of associates and joint ventures	12	(19,524)
Income tax relating to these items	-	16,084
<i>Items that will not be reclassified to profit or loss:</i>		
Changes in equity instruments at fair value through other comprehensive income	276,059	487
Re-measurement gain/(loss) on post-employment benefits obligation - net of tax	246,250	(14,127)
Other comprehensive income/(loss) for the year, net of tax	16,475,878	2,160,381
Total comprehensive income for the year	19,773,270	4,683,895
Total comprehensive income for the year is attributable to:		
Owners of the company	19,767,557	4,682,458
Non controlling interest	5,713	1,437
	19,773,270	4,683,895

Source: NNPC 2023 Audited accounts

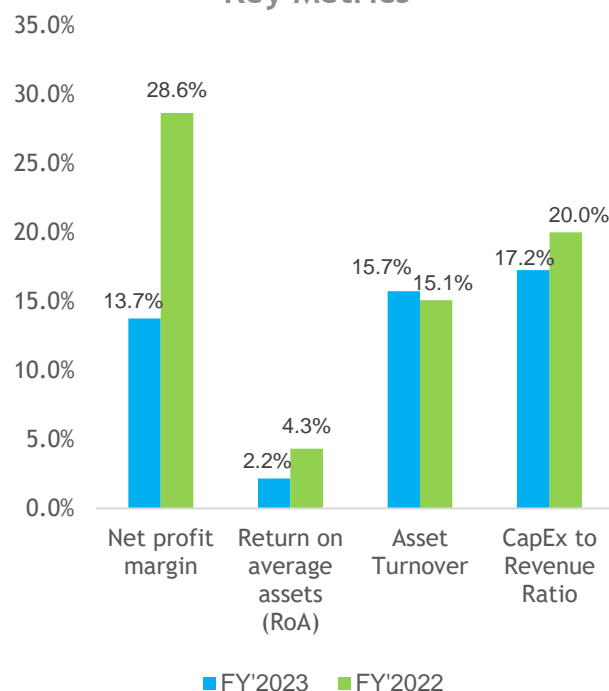
Key indicators	2023	2022	% Δ Growth
Revenue (N'tn)	24.0	8.8	172.1
Total Assets (N'tn)	246.8	58.5	322
Trade & other Receivables (N'tn)	163.0	17.7	820.6
Gross Profit Margin	29.3%	23.9%	22.6
Operating Profit Margin (%)	18.1%	7.9%	129.1
Profit before tax (N'bn)	6.0	1.8	231.5
Return on average assets (%)	2.2	4.3	-49.9

Revenue Growth - NNPC's revenue increased to approximately ₦24 billion in 2023 from ₦8.8 billion in 2022, reflecting a substantial growth rate of 172%. Key drivers of this increase include expanded crude oil and gas sales, heightened international demand, and a favorable exchange rate, which averaged ₦644.2 in 2023 compared to ₦431.3 in 2022.

Operating Expenses


Operating Performance - Operating profit rose substantially, driven by an operating profit increased to ₦4.3 billion in 2023, up from ₦0.7 billion in 2022.

Cost-to-Income Ratio (CIR) - The CIR decreased to 32.7% from 47.9%, indicating improved operational efficiency in managing expenses relative to income.

Key Metrics


Statement of Financial Position

<i>In Millions of Naira</i>	2023	2022
Assets		
Non-current assets		
Property, plant and equipment	67,484,020	31,661,784
Intangible assets	680,639	635,591
Right of use assets	404,807	10,133
Investment in subsidiaries	-	-
Employee benefit assets	264,245	94,500
Interest in associates and joint ventures	207,649	137,273
Other financial assets at amortized cost	11,112	-
Financial assets at fair value through OCI	1,229,368	471,396
Prepayments and other assets	1,868	10,846
Restricted funds	900,224	174,946
Deferred tax assets	2,995,968	3,691,863
	74,179,899	36,888,332
Current assets		
Inventories	1,629,615	953,310
Trade and other receivables	162,956,619	17,701,889
Other financial assets at amortized cost	23,931	30,859
Prepayments and other assets	306,283	592,251
Cash and cash equivalents	7,719,601	2,319,444
	172,636,049	21,597,753
Total assets	246,815,948	58,486,085
Liabilities		
Non-current liabilities		
Lease liabilities	400,994	6,472
Provision for decommissioning	11,341,595	4,101,378
Other accruals	13,355	18,138
Employee benefit liabilities	425,024	418,816
Alternative funding arrangements	577,527	69,681
Contract liabilities	3,237,078	1,380,104
Borrowing	-	-
Deferred tax liabilities	28,495,046	13,826,864
	44,490,620	19,821,453
Current liabilities		
Trade and other payables	163,728,771	25,032,633
Lease liabilities	31	-
Other liabilities	600,528	640,877
Employee benefit liabilities	25,721	41,171
Contract liabilities	648,609	1,510,195
Current tax liabilities	5,222,052	1,219,592
Royalties payable	3,569,579	926,760
Total current liabilities	173,795,291	29,371,228
Total Liabilities	218,285,911	49,192,681
Equity		
Share capital	200,000	200,000
Share premium	-	-
Retained earnings	5,276,086	2,518,288
Capital contribution	4,409,509	4,409,509
Actuarial reserve	232,123	-14,127
Financial assets at FVOCI reserves	276,546	487
Foreign currency translation reserve	18,128,451	2,177,638
Non-controlling interests	7,322	1,609
	28,530,037	9,293,404
Total Liabilities and equity	246,815,948	58,486,085

Operating Profit Margin - The operating profit margin increased to 18.1% from 7.9%, showcasing NNPC's effectiveness in retaining income after covering operating costs. This improvement is attributed to optimised production, reduced costs, and higher revenue, particularly from energy sector expansions.

Gross Profit Margin - The gross profit margin improved to 29.3% in 2023, reflecting cost control and strategic revenue growth from core operations.

Profitability - NNPC's profitability metrics reflect strong growth:

Profit Before Tax increased to ₦5.99 billion from ₦1.8 billion, reflecting a growth rate of 230.9%.

Net Profit Margin improved to 13.7%, highlighting NNPC's success in converting higher revenue into actual profit.

Return on Equity (ROE) stood at 17.4%, underscoring the company's ability to deliver value to shareholders despite challenges. This reflects the enhanced value generated for equity holders, supported by strong operational performance.

Total Asset Growth - NNPC demonstrated substantial asset growth, with total assets reaching ₦246.8 billion in 2023 from ₦58.5 billion in 2022, representing a growth of 322%. Key contributors to this increase include:

Trade and Other Receivables: The 820.6% rise to ₦163 billion was driven by higher dollar-based receivables, impacted significantly by the closing exchange rate of ₦907.1 in 2023.

Property, Plant, and Equipment: Investment in these assets increased to ₦67.4 billion from ₦31.7 billion, reflecting capital investments for production expansion. These investments support NNPC's long-term growth objectives.

Return on Assets (ROA): The Return on Average Assets (RoA) for 2023 declined from 4.3% to 2.2%, indicating a 49.9% reduction year-on-year. This suggests a decreased ability to generate profit from assets, despite maintaining or increasing their level. This decline could be due to lower net income and increased operating costs.

In addition to the financial overview provided above, we have gone a step further by offering a detailed analysis for NNPC, which includes:

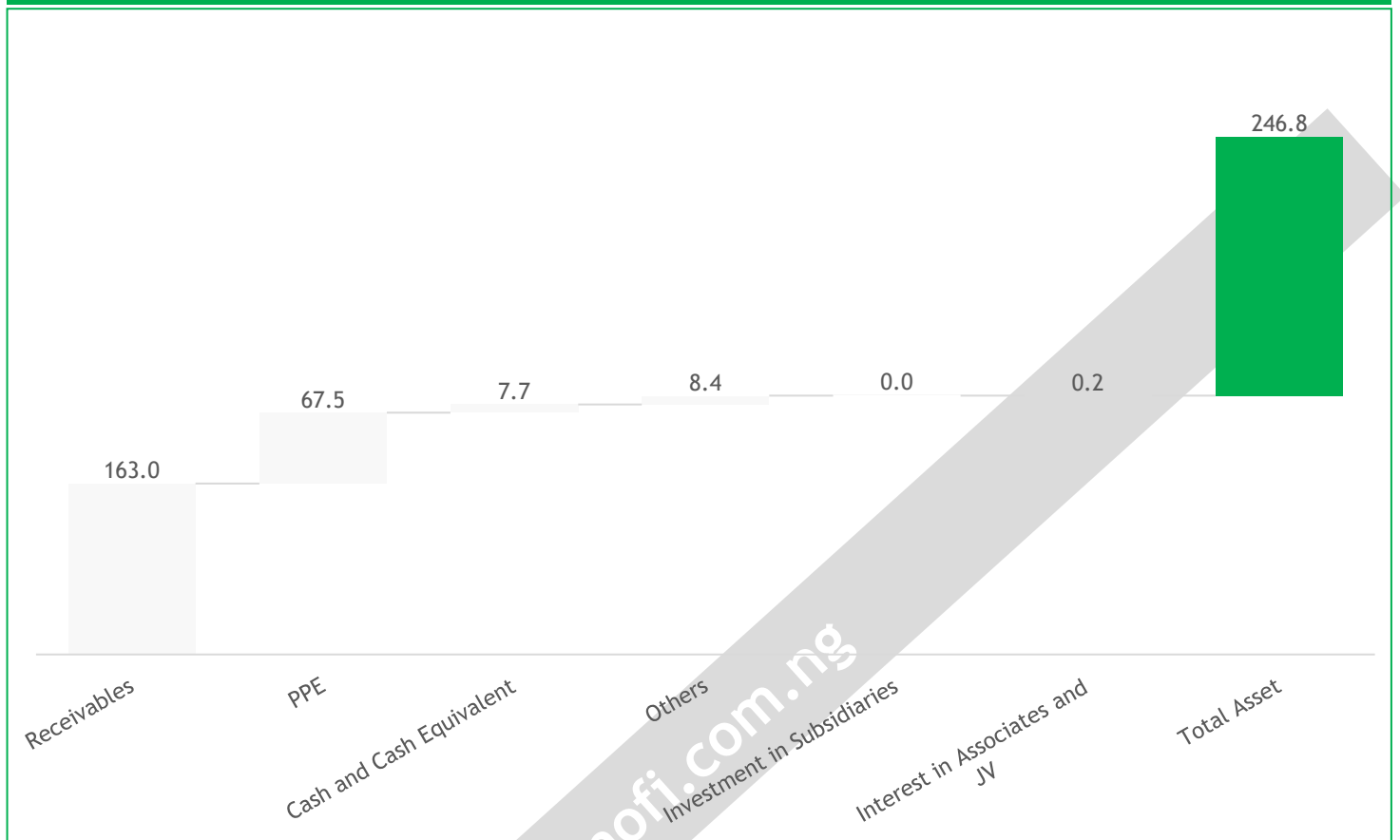
- 1) A Deep dive analysis of NNPC's total assets,
- 2) An analysis of NNPC USD-translated financials, and
- 3) A peer comparison of NNPC's industry counterparts.

The objectives of these analyses are to offer deeper insights into NNPC's financial standing and performance relative to its peers.

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NNPC Total Asset Deep Dive Analysis

NNPC Group Total Asset Composition (₦ Trillions)

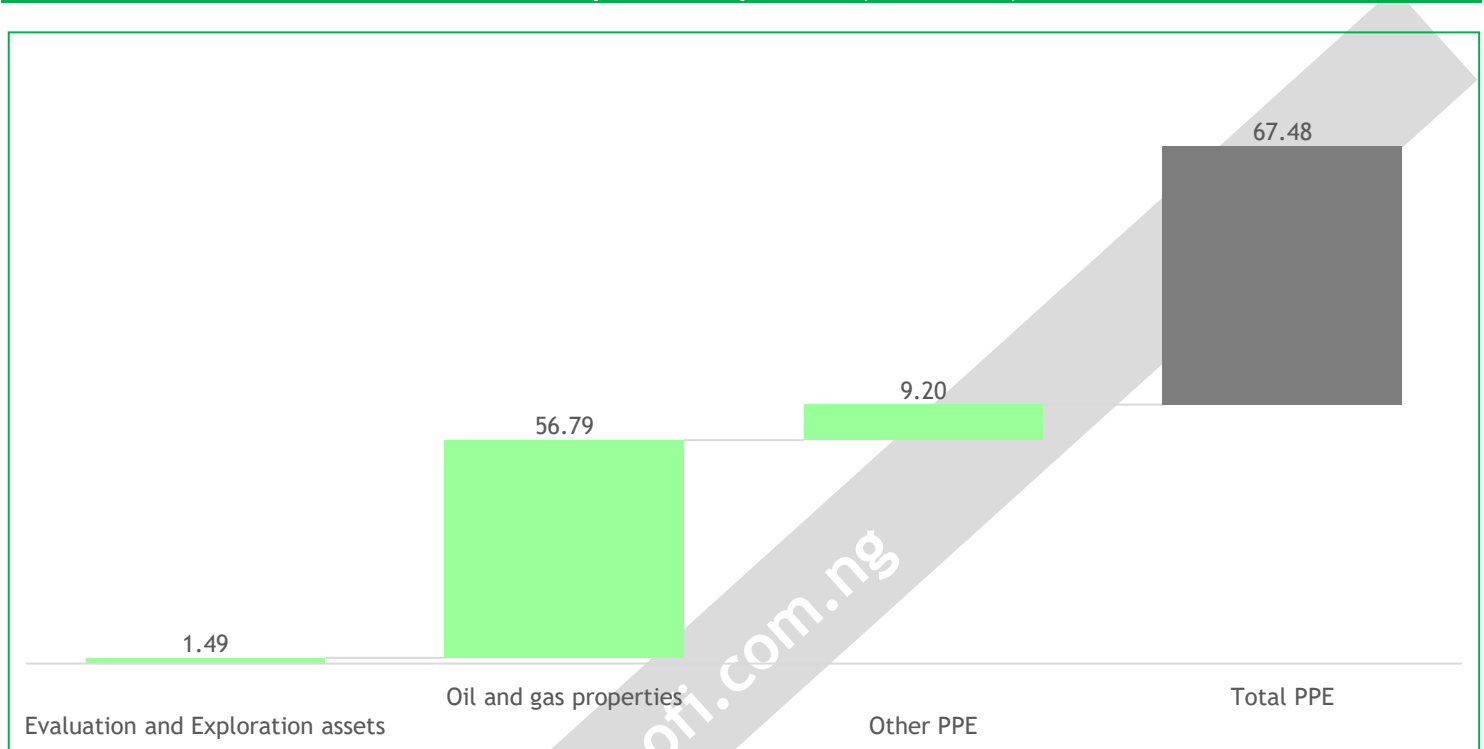


S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

- NNPC Group's total assets surged significantly in 2023, reaching ₦246.8 trillion, up from ₦40.8 trillion in 2022. The growth was driven primarily by a sharp increase in receivables by ₦162.96 trillion and property, plant, and equipment by ₦67.48 trillion.
- For the purpose of this analysis, the following asset categories are grouped under "Others": Intangible Assets, Right of Use Assets, Employee Benefits Assets, Financial Assets, Restricted Funds, Deferred Tax Assets, Inventories, and Prepayments.

Property, Plants and Equipment

NNPC Group PPE Composition (₦ Trillions)



S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

S/N	Property, Plant and Equipment (₦ Billions)	2023	2022
PPE.1	Evaluation and Exploration assets	1,486.6	441.9
PPE.2	Oil and gas properties	56,793.5	27,948.9
PPE.3	Other PPE	9,203.9	3,271.0
	Total PPE	67,484.0	31,661.8

Property, Plant and Equipment

S/N	Property, Plant and Equipment (₦ Billions)	2023	2022
PPE.1	Evaluation and Exploration assets	1,486.6	441.9
PPE.2	Oil and gas properties	56,793.5	27,948.9
PPE.3	Other PPE	9,203.9	3,271.0
Total PPE		67,484.0	31,661.8

PPE.2 Oil and gas properties

S/N	Asset Category	Book Value 2023 (₦ Billion)	Book Value 2022 (₦ Billion)	Asset Description	Location
1	Gas Pipelines and Other Facilities	4,549.4	1,562.9	Infrastructure related to gas transmission and distribution pipelines, including associated facilities.	Nationwide (across key gas fields)
2	Decommissioning Cost	6,523.6	2,297.0	Provision for the future costs of decommissioning and dismantling assets, such as oil rigs, pipelines, and refineries.	Operational sites (offshore and onshore)
3	Oil Pipelines/Storage and Depot System	423.0	149.6	Oil pipelines and storage facilities for crude oil and refined products. Includes depot systems for distribution.	Nationwide (key pipeline routes & depots)
4	Oil Wells	31,117.5	14,861.9	Investments in oil exploration and production wells, including the cost of developing and maintaining these wells.	Oil fields (Niger Delta, onshore & offshore fields)
5	Kaduna Refinery	105.2	115.5	Refining facilities located in Kaduna, processing crude oil into refined petroleum products.	Kaduna, Nigeria
6	Warri Refinery	72.6	79.7	Refining facilities in Warri, processing crude oil into refined petroleum products.	Warri, Nigeria
7	Port Harcourt Refinery	226.3	236.1	Refining facilities located in Port Harcourt, refining crude oil into finished products.	Port Harcourt, Nigeria
8	Kaduna Petro-Chemical	27.1	29.4	Petrochemical plants producing chemicals from petroleum by-products.	Kaduna, Nigeria
9	Warri Petro-Chemical	-	26.3	Petrochemical production plant in Warri.	Warri, Nigeria
10	MCA Assets	9,519.4	4,891.3	Multi-Commodity Assets (e.g., refineries, pipelines, gas facilities, etc.) held in joint ventures or strategic projects.	Various locations (joint venture sites)
11	Escravos Gas to Liquids	4,229.4	2,159.4	Assets related to the processing of natural gas into liquid fuels at the Escravos Gas to Liquids facility.	Escravos, Nigeria
12	Assets in Progress	-	1,540.0	Ongoing capital projects and construction of infrastructure, including new refineries, pipelines, and processing plants.	Project sites (across NNPC locations)
Total oil and gas properties		56,793.5	27,948.9		

Property Plants and Equipment

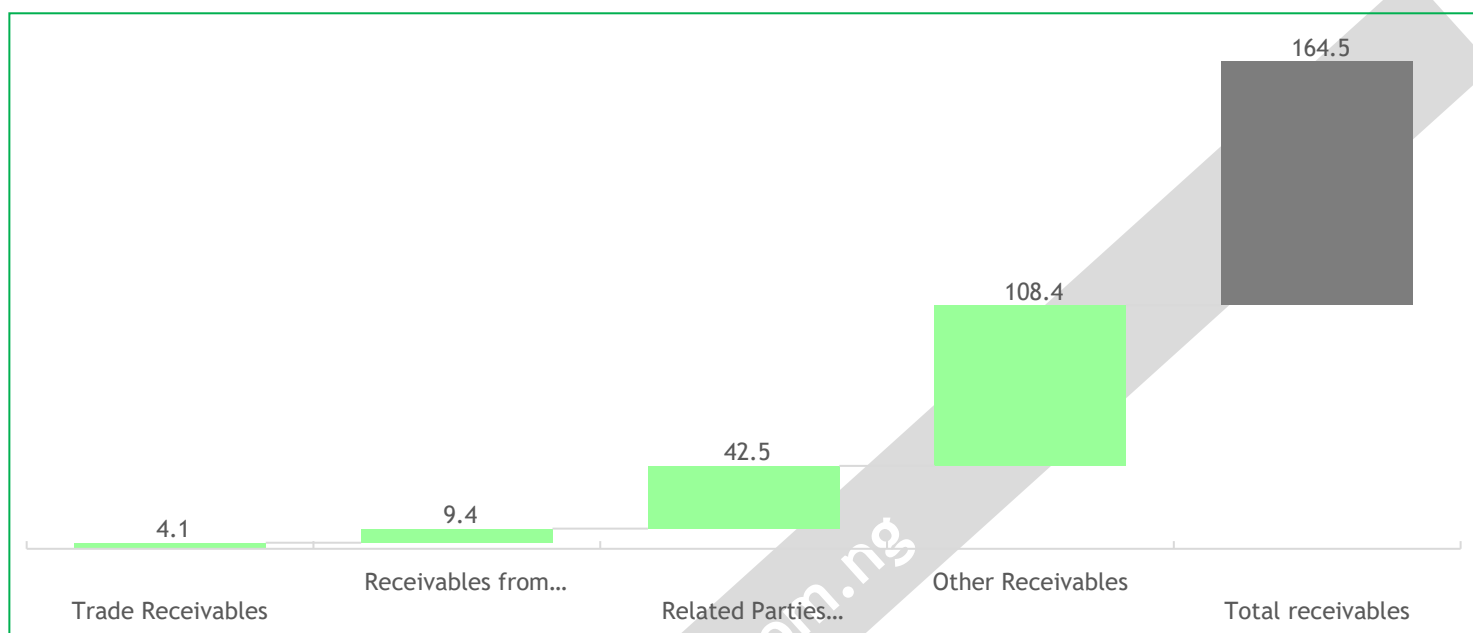
S/N	Property, Plant and Equipment (₦ Billions)	2023	2022
PPE.1	Evaluation and Exploration assets	1,486.6	441.9
PPE.2	Oil and gas properties	56,793.5	27,948.9
PPE.3	Other PPE	9,203.9	3,271.0
	Total PPE	67,484.0	31,661.8

PPE.3 Other PPE

S/N	Asset Category	Book Value 2023 (₦ Billion)	Book Value 2022 (₦ Billion)	Asset Description	Location
1	NNPC Telecom	1,259.9	561.7	NNPC Telecom assets refer to all communication and networking infrastructure owned and operated by the Nigerian National Petroleum Company Limited (NNPC)	Various locations
2	Land	292.1	125.5	This refers to plots of land owned or leased by NNPC for its operations, including exploration sites, oil fields, refinery locations, and storage depots. Land may also be used for future expansion or as part of environmental management and sustainability projects.	Various locations
3	Building	196.8	96.6	Buildings include all physical structures owned by NNPC, such as office buildings, warehouses, refineries, production plants, control rooms, laboratories, and worker accommodations. These buildings are critical for the corporate, operational, and industrial functions of NNPC.	Various locations
4	Automotive Equipment	483.3	159.9	Automotive Equipment refers to vehicles owned by NNPC, including cars, trucks, vans, buses, and specialized vehicles such as fuel tankers, drilling rigs, or off-road vehicles used for exploration and production activities.	Various locations
5	Movable Equipment	863.2	777.6	Movable Equipment includes all equipment that is not fixed to the ground or buildings but is used for operational purposes, such as construction equipment, heavy machinery (e.g., cranes, bulldozers, forklifts), and portable tools (e.g., power generators, compressors, pumps).	Various locations
6	Furniture and Office Equipment	219.5	94.3	This category includes all non-operational assets used in NNPC offices and administrative spaces. This includes office furniture (desks, chairs, cabinets), computers, printers, fax machines, and other office equipment necessary for administrative and corporate functions	Various locations
7	Personel Facilities	3.9	3.3	Facilities refer to the buildings, utilities, and equipment provided to accommodate NNPC employees, both on-site and at remote locations.	Various locations
8	Laboratory Apparatus and Equipment	25.6	0.9	his category includes scientific and technical equipment used in laboratories for testing, analysis, and quality control. In the context of NNPC, this could involve equipment used to analyze crude oil, refined products, and other petroleum-related chemicals..	Various locations
9	Electrical Plant and Transmission	376.1	333.2	Electrical Plant and Transmission assets refer to the infrastructure used to generate, store, and distribute electricity across NNPC's facilities.	Various locations
10	Loose Tools	-	-	Loose Tools are portable hand tools and equipment that are used in maintenance, repair, and operational activities.	Various locations
11	Assets in Progress	5,483.5	1,117.8	Assets in Progress (also known as Work-in-Progress or WIP) refer to assets that are under construction or development and have not yet been completed or capitalized	Various locations
	Total Other PPE	9,203.9	3,271.0		

Trade and other receivables

NNPC Group Receivables Composition (₦ Trillions)



S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

S/N	Trade and Other Receivables (₦ Billions)	2023	2022
2.1	Trade Receivables	4,119.8	1,754.8
2.2	Receivables from Federation	9,382.6	2,182.2
2.3	Related Parties Receivables	42,506.1	14,399.0
2.4	Other Receivables	108,442.3	740.8
	Total Receivables	164,450.8	19,076.8

- Trade receivables are non-interest bearing and are generally on terms of 30-90 days. They relate to receivables from customers in the ordinary course of business.
- Receivables from the Federation relate to expenses incurred on behalf of the Federation by the Group
- Related party receivables are non-interest bearing and are generally available on demand from unconsolidated related entities
- Other receivables are made up of sundry receivables, which includes mainly recovered but yet to be settled debt, receivables from defunct bank and deposits for letters of credit, joint ventures receivables and strategic alliance receivables.

Cash and Cash Equivalent

S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

S/N	Cash and Cash Equivalents(₦ Billions)	2023	2022
3.1	Cash in hand	0.0	0.2
3.2	Cash at bank	7,676.9	2,242.4
3.3	Short term deposits	43.3	76.9
3.4	Impairment on Cash and Bank Balances	-0.6	-0.1
		7,720	2,319

- **Cash in Hand:** This refers to the physical cash that NNPC holds in its possession. It is typically used for daily operations and immediate payments. Cash in hand is considered a liquid asset but is usually a smaller amount compared to cash in bank or short-term deposits.
- **Cash at Bank:** This represents the funds that NNPC has deposited with banks and is readily available for use. It is a liquid asset and includes the balance in current accounts or savings accounts that can be used for operational purposes, such as paying bills or salaries.
- **Short Term Deposits:** These are deposits made by NNPC in financial institutions with a maturity period of less than one year. They are considered highly liquid assets, as they can be converted into cash relatively quickly, usually offering a slightly higher interest return than cash in bank.
- **Impairment on Cash and Bank Balances:** This refers to the reduction in the value of cash or bank balances due to factors such as default by financial institutions, foreign exchange losses, or other risk-related issues that affect the full recoverability of the amounts. Impairment is recognized when it is anticipated that the cash or deposits may not be fully recoverable

Investment in Associates and Joint Ventures

S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

S/N	Investment in Associates and Joint Ventures (₦ Billions)	2023	2022
6.1	Associates	122.1	64.4
6.2	Joint Ventures	85.6	72.9
	Total Investment in Associates and Joint Ventures	207.6	137.3

6.1 Investment in Associates	Principal activities	Ownership Within the Group	Place of Business/ Country of Incorporation	% of Ownership interest	Dec 2023 (₦ Billions)
Azikel Petroleum Limited	Processing of crude	NNPCL	Nigeria	30.00%	81.6
Netcodietmann Limited	Operation and maintenance of oil and gas assets	NETCO	Nigeria	40.00%	6.3
Brass Petroleum Products Terminal Limited	Storage of petroleum products	NNPCL	Nigeria	30.00%	6.9
Brass Fertilizer and Petroleum Company Limited	Fertilizer processing	NNPCL	Nigeria	20.00%	27.2
Quintiles Oil and Gas Company Limited	Gas processing	NGIC	Nigeria	17.00%	-
Total					122.1

Investment in Associates and Joint Ventures

S/N	NNPC Group Total Assets (₦ Billions)	2023	2022
1	PPE	67,484.0	31,661.8
2	Receivables	162,956.6	17,701.9
3	Cash and Cash Equivalent	7,719.6	2,319.4
4	Others	8,448.1	6,665.7
5	Investment in Subsidiaries	0.0	0.0
6	Interest in Associates and JV	207.6	137.3
	Total Asset	246,816	40,784

S/N	Investment in Associates and Joint Ventures (₦ Billions)	2023	2022
6.1	Associates	122.1	64.4
6.2	Joint Ventures	85.6	72.9
	Total Investment in Associates and Joint Ventures	207.6	137.3

6.2 Investment in Joint ventures	Principal activities	Place of Business/ Country of Incorporation	December % of Ownership Interest	Ownership Within the Group	Dec 2023 (₦ Billions)
WAGL Energy	Offtake, marketing and trading of NLNG NGLs under the equity lifting scheme	Nigeria	60%	NNPCL	7.6
Hyson (Nigeria) Limited*	Provision of logistic and operational services, marketing of excess crude oil	Nigeria	60%	NNPCL	2.9
Calson Bermuda Limited	Marketing of crude oil and petroleum products	Bermuda	51%	NNPCL	4.7
Anoh Gas Processing Company Limited	Gas processing	Nigeria	50%	NGIC	70.4
Nikorma Transport Limited	Shipping and marine transportation.	Nigeria	51%	NNPCL	-
					85.6

NNPC Company Investment in Subsidiary

Below is a comprehensive list of subsidiaries under the Nigerian National Petroleum Company (NNPC). These entities play various roles across the oil and gas value chain, including exploration, production, refining, distribution, and marketing of petroleum products. Each subsidiary operates in specific segments of the energy sector, contributing to NNPC's overall operations and business objectives.

Investment in subsidiaries						
S/N	Name of subsidiaries	% Holding	Country of incorporation	Principal Business activity	Functional Currency	31 December 2023 (N'M)
1	NNPC Retail Limited	100%	Nigeria	Petroleum products retail	Naira	219
2	NNPC Trading Limited	100%	Nigeria	Exploration and production: Oil	Naira	219
3	NNPC Trading Services (UK) Limited	100%	United Kingdom	Providing logistics services to Duke Oil Incorporated	Pounds	-
4	NNPC Trading SA	100%	Panama	Marketing of crude oil and petroleum products	US Dollars	6,812
5	NNPC E&P Limited	100%	Nigeria	Exploration and production	US Dollars	2,186
6	Kaduna Refining and Petrochemical Company Limited (KRPC)	100%	Nigeria	Refining of crude oil and manufacturing of petrochemicals	Naira	641,711
7	Warri Refining and Petrochemical Company Limited (WRPC)	100%	Nigeria	Refining of crude oil and manufacturing of petrochemicals	Naira	402,957
8	NNPC Gas Infrastructure Company Ltd	100%	Nigeria	Transmission and distribution of Nigeria's natural gas.	Naira	203
9	Port-Harcourt Refining Company Limited (PHRC)	100%	Nigeria	Refining of crude oil	Naira	674,317
10	NNPC Engineering and Technical Company Limited (NETCO)	100%	Nigeria	Engineering, procurement, construction and technical services	Naira	2,186
11	NNPC Energy Services Limited	100%	Nigeria	Geophysical and petroleum engineering services	Naira	11
12	The Wheel Insurance Company	100%	Guernsey, Channel Island	Providing reinsurance cover in respect of excess capacity of NNPC oil assets transferred abroad	US Dollars	108,250
13	NNPC Gas Marketing Company Limited (NGML)	100%	Nigeria	Sales and marketing of gas	Naira	204
14	Nigerian Pipelines and Storage Company Limited (NPSC)	100%	Nigeria	Transportation and storage of petroleum products.	Naira	399,649
15	NNPC Health Maintenance Organisation	99%	Nigeria	Provision of health insurance to individuals, families, and corporate groups.	Naira	874
16	N-GAS Limited	62.35%	Bermuda	Shipment and delivery of gas	US Dollars	6
17	NNPC Shipping and Logistics Limited	100%	Nigeria	Shipping and marine transportation	US Dollars	2,721
18	NIDAS Shipping Services Limited	88%	Cyprus	Shipping and marine transportation	US Dollars	76
19	Maiduguri Emergency Power Plant	100%	Nigeria	Power generation, transmission, distribution, trading based on thermal,	Naira	22
20	NNPC New Energy Ltd	100%	Nigeria	Provision of clean and renewable energy	Naira	21
21	Nigeria Liquefied Petroleum Gas Limited (NLPG)	100%	Nigeria	Liquified petroleum gas sales	US Dollars	219
22	NNPC LNG Limited	100%	Cayman Island	Liquified natural gas sales	US Dollars	45
23	Nidas Shipping Service Agency (UK) Limited	99%	United Kingdom	Provision of agency services	Pounds	-
24	NNPC Gas and Power Investment Company Limited (NGPIC)	100%	Nigeria	Energy, gas and power investment services	Naira	219
25	NNPC Trading DMCC	100%	United Arab Emirate	Trading of refined oil products, petrochemicals, crude oil and liquefied natural gas	Dirham	-
26	NNPC Properties Limited (NPL)	100%	Nigeria	Real estate and allied services	Naira	219
27	NNPC Medical Services Limited (NMSL)	100%	Nigeria	Provision of health services to staff, individuals, families and corporate groups.	Naira	22
28	Nueoil Energy Limited	100%	Nigeria	Oil, gas and energy related services including	Naira	294,891
29	National Petroleum Telecommunication Limited (NAPET)	100%	Nigeria	Telecommunications investment	Naira	219
30	Antan Producing Limited	100%	Nigeria	Exploration and production	US Dollars	20
31	Kaduna IPP Limited	50%	Nigeria	Power generation and distribution	Naira	2
32	Kano IPP Limited	50%	Nigeria	Power generation and distribution	Naira	2
33	Gwagwalada Power Limited	50%	Nigeria	Power generation and distribution	Naira	2
34	NNPC Eighteen Operating Limited	100%	Nigeria	Exploration and production	Naira	20
Total						2,538,523

Commercial Arrangements

Commercial Arrangements

- The Group is engaged in the exploration, prospecting, and production of crude oil and natural gas through a combination of wholly owned assets, joint venture (JV) partnerships, and production sharing contracts (PSCs) with other industry players. All of these activities are conducted within Nigeria's territorial boundaries.
- Under the **PSC** and **JV** frameworks, all parties involved contribute to funding the exploration, development, and production costs. In a **PSC**, the contractors are reimbursed for their exploration costs through an allocation of crude oil and gas once successful exploration and production are achieved. This allocation is subject to specific terms outlined in the contract. Additionally, the Group is entitled to a **30% management fee** from the profits generated by these operations.

Impact of Joint Venture(JV) arrangements on NNPC book value of assets

- Under IFRS, joint ventures are typically governed by **IFRS 11 (Joint Arrangements)**, which distinguishes between **joint operations** and **joint ventures**. The joint venture investment is typically recorded under Non-current assets as "Investments in Joint Ventures" or similar categories in the non-current assets section
- NNPC does not consolidate the JV's assets and liabilities. The JV's assets (e.g., oil and gas properties, drilling rigs) and liabilities (e.g., debts, provisions for decommissioning) are not directly recognized on NNPC's balance sheet. NNPC's share of the JV's profits is recognized in its income statement, and this will affect the carrying value of the investment in the JV.

Impact of production sharing contracts (PSCs) on NNPC book value of assets

- In a Production Sharing Contract (PSC), NNPC retains ownership of the hydrocarbon resources, and the IOC typically bears the exploration and production costs, receiving a share of the oil or gas produced (profit oil) after the recovery of their costs (cost oil).
- The balance sheet impact of PSCs is influenced by whether NNPC is directly involved in **the operations or merely entitled to share in the profits**.
- If NNPC has joint control over the operation and is involved in exploration, development, and production activities, then the PSC is classified as a joint operation under IFRS 11 and recognizes its proportionate share of the assets used in the joint operation, such as oil fields, production facilities, and exploration assets.
- If NNPC is not directly involved in the operations but only receives a share of the revenue or profit oil, then NNPC accounts for the arrangement based on the **revenue-share** model, as it does not control the underlying assets

Commercial Arrangements

The Group has the following commercial arrangements as of 31 December 2023.

Terrain	Concession	Group Interest (%)	Status	Operating Party	Partners	Contract type
Deep water	OPL 244	10	Exploration	Agip	NEPL & Agip	Production Sharing Contract
	OPL 242	100	Exploration	NEPL	Not Applicable	Production Sharing Contract
	OML 139/154	10	Exploration	ExxonMobil	ESSO, TEPNG, Chevron, Nexen, NEPL	Production Sharing Contract
	OPL 214	15.79	Exploration	ExxonMobil	ESSO, Chevron, Oando, Svenska, Sasol	Production Sharing Contract
	OPL 223	10	Exploration	Mobil	NEPL and Mobil	Production Sharing Contract
	OPL 251	15	Exploration	Ashbert	NEPL and Ashbert	Production Sharing Contract
	OPL 325	20	Exploration	Ashbert NNPC	NEPL and Ashbert	Production Sharing Contract
Continental Shelf	OML 119	100	Producing	NEPL	Not Applicable	Not Applicable
	OMLs 60 - 63	60	Producing	NAOC	NEPL, NAOC and Oando	Joint Venture Contract
Land	OML 111	100	Producing	NEPL	Not Applicable	Not Applicable
	OMLs 111/148	11	Producing	ENAGEED	ENAGEED and NEPL	Joint Venture Contract
	OML 65	100	Producing	NEPL	Not Applicable	Not Applicable
	OML 26	55	Producing	NEPL	NEPL and FHN	Joint Venture Contract
	OMLs 28/30	8.08	Producing	NEPL	NEPL/Shoreline JV and SPDC/NUIMS/ Total/NAOC JV	Joint Venture Contract
	OML 30	55	Producing	NEPL	NEPL, Shoreline	Joint Venture Contract
	OML 34	55	Producing	NEPL	NEPL and ND Western	Joint Venture Contract
	OML 64	100	Development	NEPL	Not Applicable	Not Applicable
	OML 66	100	Development	NEPL	Not Applicable	Not Applicable
	OML 4	55	Producing	SEPLAT	NEPL and Seplat	Joint Venture Contract
	OML 11	100	Producing	NEPL	Not Applicable	Not Applicable
	OML 13	100	Development	NEPL	Not Applicable	Not Applicable
	OML 24	55	Producing	Newcross	NEPL and Newcross	Joint Venture Contract
	OML 98	100	Producing	NEPL	Not Applicable	Not Applicable
Partially Swamp	OML 38	55	Producing	SEPLAT	NEPL and Seplat	Joint Venture Contract
	OMLs 38/49	13.98	Producing	NEPL	NEPL, Chevron, NUIMS, Seplat	Joint Venture Contract
	OMLs 49/51	Nil	Exploration	NEPL	NUIMS and Chevron	Service Contract
Swamp	OML 41	55	Producing	SEPLAT	NEPL and Seplat	Joint Venture Contract
	OML 40	55	Producing	NEPL	NEPL and Elcrest	Joint Venture Contract
	OML 42	55	Producing	NEPL	NEPL and Neconde	Joint Venture Contract

Commercial Arrangements

The Group has the following commercial arrangements as of 31 December 2023.

Terrain	Concession	Group Interest (%)	Status	Operating Party	Partners	Contract type
Land	OMLs 20	Nil	Producing	NEPL	NUIMS, Shell, Total & NAOC	Service Contract
	OML 49	60	Producing	CNL	NNPC and CNL	Joint Venture Contract
	OML 89	60	Development	CNL	NNPC and CNL	Joint Venture Contract
	OML 90	60	Producing	CNL	NNPC and CNL	Joint Venture Contract
	OML 91	60	Producing	CNL	NNPC and CNL	Joint Venture Contract
	OML 95	60	Producing	CNL	NNPC and CNL	Joint Venture Contract
	OML 99	60	Producing	TEPNG	NNPC and TEPNG	Joint Venture Contract
	OML 100	60	Producing	TEPNG	NNPC and TEPNG	Joint Venture Contract
	OML 102	60	Producing	TEPNG	NNPC and TEPNG	Joint Venture Contract
	OML 58	60	Producing	TEPNG	NNPC and TEPNG	Joint Venture Contract
	OML 83	60	Producing	FEPL	NNPC and FEPL	Joint Venture Contract
	OML 85	60	Producing	FEPL	NNPC and FEPL	Joint Venture Contract
	OML 71	55	Development	WAEP	NNPC and WAEP	Joint Venture Contract
	OML 72	55	Development	WAEP	NNPC and WAEP	Joint Venture Contract
	OML 104	60	Producing	MPNU	NNPC and MPNU	Joint Venture Contract
	OML 67	60	Producing	MPNU	NNPC and MPNU	Joint Venture Contract
	OML 68	60	Development	MPNU	NNPC and MPNU	Joint Venture Contract
	OML 70	60	Producing	MPNU	NNPC and MPNU	Joint Venture Contract
	OML 17	55	Producing	HHOG	NNPC, HHOG	Joint Venture Contract
	OML 20	55	Producing	NEPL	NNPC, SPDC 30% TEPNG 10% NAOC 5%	Joint Venture Contract
	OML 21	55	Producing	NEPL	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 22	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 27	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 28	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 38/49	45	Producing	NEPL	NNPC 44.75%, CNL 29.84%, NEPL 13.98%, SEPLAT 11.43%	Joint Venture Contract
	OML 49/51	60	Exploration	NEPL	NNPC and CNL	Joint Venture Contract

Commercial Arrangements

The Group has the following commercial arrangements as of 31 December 2023.

Terrain	Concession	Group Interest (%)	Status	Operating Party	Partners	Contract type
Land	OMLs 86/88	100	Producing	NEPL	NNPCL	Joint Venture Contract
	OML 29	55	Producing	AITEO	NNPC and AITEO	Joint Venture Contract
	OML 55	60	Producing	BELEMA PETROLEUM LIMITED	NNPC and BELEMA	Joint Venture Contract
	OML 18	55	Development	NNPC OML EIGHTEEN LIMITED	NNPC, EROTON 27%, SAHARA FIELDS 16.2%, BILTON, 1.8%	Joint Venture Contract
	OML 23	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 25	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 32	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 33	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 35	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 36	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 43	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 45	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 46	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 31	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
Onshore	OML 53	60	Producing	SEPLAT	NNPC, SEPLAT	Joint Venture Contract
Offshore Shallow Water	OML 74	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 77	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 79	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 52	60	Development	AMNI	NNPC and AMNI	Joint Venture Contract

Commercial Arrangements

The Group has the following commercial arrangements as of 31 December 2023.

Terrain	Concession	Group Interest (%)	Status	Operating Party	Partners	Contract type
Land	OMLs 86/88	100	Producing	NEPL	NNPCL	Joint Venture Contract
	OML 29	55	Producing	AITEO	NNPC and AITEO	Joint Venture Contract
	OML 55	60	Producing	BELEMA PETROLEUM LIMITED	NNPC and BELEMA	Joint Venture Contract
	OML 18	55	Development	NNPC OML EIGHTEEN LIMITED	NNPC, EROTON 27%, SAHARA FIELDS 16.2%, BILTON, 1.8%	Joint Venture Contract
	OML 23	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 25	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 32	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 33	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 35	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 36	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 43	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 45	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 46	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 31	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
Onshore	OML 53	60	Producing	SEPLAT	NNPC, SEPLAT	Joint Venture Contract
Offshore Shallow Water	OML 74	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 77	55	Development	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 79	55	Producing	SPDC	NNPC, SPDC 30%, ELF 10%, AGIP 5%	Joint Venture Contract
	OML 52	60	Development	AMNI	NNPC and AMNI	Joint Venture Contract

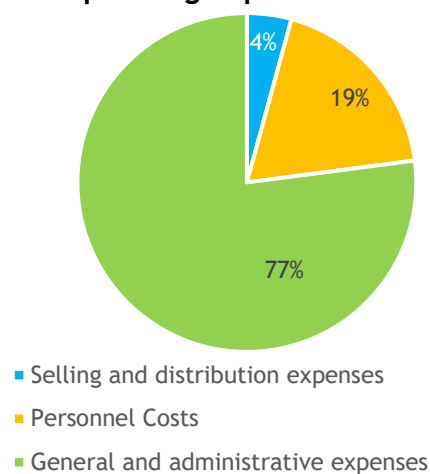
NNPC USD Restated Financial Overview

NNPC USD translated Income Statement

<i>In Millions of United States Dollars</i>		
	2023 \$'m	2022 \$'m
Revenue	36,929	20,653
Cost of sales	(26,093)	(15,709)
Gross profit	10,836	4,944
Selling and distribution expenses	(204)	(54)
General and administrative expenses	(4,604)	(3,993)
Net impairment reversal on financial assets	657	729
Operating profit	6,684	1,626
Other income	3,017	2,747
Finance costs	(680)	(171)
Finance income	178	25
	9,199	4,227
Share of net profit of associates and joint ventures	19	4
Profit before income tax	9,219	4,232
Income tax (charge)/ credit	(4,143)	1,680
Profit for the year	5,076	5,912
Profit attributable to:		
Owners of the company	5,071	5,907
Non controlling interest	5	4
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	24,554	5,101
NCL exchange differences on translation of foreign operations	4	(0)
Share of other comprehensive loss of associates and joint ventures	0.02	(46)
Income tax relating to these items	-	38
<i>Items that will not be reclassified to profit or loss:</i>		
Changes in equity instruments at fair value through other comprehensive income	425	1
Re-measurement gain/(loss) on post-employment benefits obligation - net of tax	379	(33)
Other comprehensive income/(loss) for the year, net of tax	25,362	5,061
Total comprehensive income for the year	30,438	10,972
Total comprehensive income for the year is attributable to:		
Owners of the company	30,429	10,969
Non controlling interest	9	3
	30,438	10,972

Revenue Growth - The revenue for the year 2023 was \$36,929 million, compared to \$20,653 million in 2022. This represents a significant increase of approximately 78.8%.

In Naira terms, the figures reflect a different picture, influenced heavily by the exchange rate fluctuations. The Revenue in Naira terms surged to ₦23,990,048 million in 2023, a Significant increase of 172.1% from ₦8,816,384 million in 2022. The Naira depreciation against the USD had the effect of inflating revenue when expressed in local currency, but the underlying growth in oil sales remains consistent. Gross Profit also showed a sharp increase in Naira terms, reaching ₦7,039,079 million, up from ₦2,110,449 million in 2022. This significant rise in profitability mirrors the increase in global oil prices and higher output.

Operating Expenses


Key indicators	2023	2022	% Δ Growth
<i>In Millions of Dollars</i>			
Total Revenue	36,929	20,653	78.8%
EBITDA Margin	26.7%	21.9%	21.9%
Net Income Margin	13.7%	28.6%	-52.1%
Return on Assets (RoA)	2.0%	4.7%	-57.4%
Return on Equity (RoE)	16.9%	29.3%	42.3%
Total Assets	259,318	126,840	104.5%
Total Debts	229,342	106,685	1150%

Operating Performance - Despite these rising costs, NNPC's EBITDA margin remained stable at 27% for both years, signaling strong operational performance and the ability to maintain profitability. The Net Income in USD terms, however, saw a slight decrease, from \$5.91 billion in 2022 to \$5.08 billion in 2023, mainly due to the adverse impact of currency depreciation, which reduced the value of profits when converted to USD.

NNPC USD Translated statement of financial position

<i>In Millions of United States Dollars</i>	2023	2022
Assets	\$'m	\$'m
Non-current assets		
Property, plant and equipment	70,902	68,666
Intangible assets	715	1,378
Right of use assets	425	22
Investment in subsidiaries	-	-
Employee benefit assets	278	205
Interest in associates and joint ventures	218	298
Other financial assets at amortized cost	12	-
Financial assets at fair value through OCI	1,292	1,022
Prepayments and other assets	2	24
Restricted funds	946	379
Deferred tax assets	3,148	8,007
	77,937	80,001
Current assets		
Inventories	1,712	2,067
Trade and other receivables	171,211	38,391
Other financial assets at amortized cost	25	67
Prepayments and other assets	322	1,284
Cash and cash equivalents	8,111	5,030
	181,380	46,840
Total assets	259,318	126,840
Liabilities		
Non-current liabilities		
Lease liabilities	421	14
Provision for decommissioning	11,916	8,895
Other accruals	14	39
Employee benefit liabilities	447	908
Alternative funding arrangements	607	151
Contract liabilities	3,401	2,993
Borrowing	-	-
Deferred tax liabilities	29,938	29,987
	46,744	42,987
Current liabilities		
Trade and other payables	172,022	54,289
Lease liabilities	0.03	-
Other liabilities	631	1,390
Employee benefit liabilities	27	89
Contract liabilities	681	3,275
Borrowing	-	-
Current tax liabilities	5,487	2,645
Royalties payable	3,750	2,010
Total current liabilities	182,598	63,698
Total Liabilities	229,343	106,685
Equity		
Share capital	210	434
Share premium	-	-
Retained earnings	5,543	5,461
Capital contribution	4,633	9,563
Actuarial reserve	244	(31)
Financial assets at FVOCI reserves	291	1
Foreign currency translation reserve	19,047	4,723
Non-controlling interests	8	3
	29,975	20,155
Total Liabilities and equity	259,318	126,840

Total Assets and Liabilities in both currencies, NNPC's Total Assets grew significantly, from \$126.84 billion in 2022 to \$259.32 billion in 2023, reflecting an expansion in both tangible assets like property, plant, and equipment, and intangible assets. In Naira terms, the Total Assets reached ₦246,815,948 million in 2023, up from ₦58,486,085 million in 2022. Similarly, Total Liabilities increased from ₦49,192,681 million in 2022 to ₦218,285,911 million in 2023, or \$229.34 billion in USD. This increase in liabilities suggests that NNPC is leveraging more debt to finance its growing asset base. Total Equity also expanded in both Naira and USD terms, with NNPC's equity growing from \$20.16 billion in 2022 to \$29.98 billion in 2023, reflecting stronger retained earnings and improved capital reserves.

In conclusion, while NNPC's financial performance in USD terms shows robust growth, the depreciation of the Naira has had a significant impact on the company's reported results when converted. The rise in revenues and profits in both currencies is undeniable, but the effect of the exchange rate on the conversion of profits and the Net Income Margin is important to consider. Despite this, NNPC remains solid in its financial performance, with strong EBITDA margins and a healthy equity position, showcasing its operational and financial resilience even amidst external economic pressures.

Exchange Rates (1 USD = NGN)		
	Closing	Average
2023	951.790	649.63
2022	461.1	426.88

Conversions for NNPC's financial statements were carried out using the **FMDQ NAFEX rate**. Specifically, the **closing exchange rate** was applied to translate **balance sheet items**. For the **income statement line items**, the **average exchange rate** was utilized, as it represents the average rate over the reporting period.

NNPC Peer Analysis

The tables below present a comparison of the Nigeria National Petroleum Company (NNPC) with its selected industry peers, including Sonangol E.P., Dana Gas PJSC, Guanghui Energy Co. Ltd., PetroChina Company Limited, and China Petroleum & Chemical Corp.. Each company operates within the energy and oil sectors, with varying scales of operations, profitability, and financial metrics.

S/N	Company Name	Business Description	Geographic Locations	Country
1	NNPC	Nigerian National Petroleum Company Limited explores, produces, refines, transports, and markets oil and gas. . The company was founded in 1977 and is based in Abuja, Nigeria, with pipelines and depots in Nigeria. Nigerian National Petroleum Company also has zonal offices in Lagos, Kaduna, Warri, and Port Harcourt, Nigeria; and a branch office in London, United Kingdom.	West Africa	Nigeria
2	Sonangol E.P	Sonangol EP explores and produces oil and gas on the subsoil and continental shelf of Angola. The company explores, produces, transports, markets, refines, and processes crude oil, hydrocarbons, LPG, petrol, fuel oil, and gasoline. It also stores, trades, and distributes refined petroleum derivatives. Sonangol EP was formerly known as Sonangol U.E.E. and changed its name to Sonangol EP in January 1999. The company was founded in 1976 and is based in Luanda, Angola.	Central Africa	Angola
3	Dana Gas PJSC	Dana Gas PJSC, headquartered in Sharjah, UAE, engages in the exploration, production, transportation, processing, distribution, marketing, and sale of natural gas and petroleum products in the UAE, Iraq, and Egypt. The company also develops gas-related projects and services, including upstream, midstream, and downstream activities, and provides gas transmission and sweetening services.	Middle East	United Arab Emirates
4	Guanghui Energy Co., Ltd.	Guanghui Energy Co., Ltd., headquartered in Urumqi, China, operates in the energy development business. Its principal products include coal, LNG, coal tar, alcohol ether, and petroleum. The company is involved in natural gas liquefaction, coal mining, coal chemical conversion, oil and gas exploration and development, and energy logistics services. Founded in 1994, it was formerly known as Xinjiang Guanghui Industrial Co., Ltd. and changed its name in 2012.	Asia / Pacific Emerging Markets	China
5	PetroChina Company Limited	Business Description: PetroChina Company Limited, headquartered in Beijing, China, engages in a range of petroleum-related products and services. It operates through segments including Oil, Gas and New Energy Resource (exploration, development, transportation, production, and marketing of crude oil and natural gas), Refining, Chemicals and New Materials (refining crude oil, producing and marketing petrochemical products), Marketing (marketing refined and non-oil products), and Natural Gas Sales (transportation and sale of natural gas).	Asia / Pacific Emerging Markets	China
6	China Petroleum & Chemical Corp.	China Petroleum & Chemical Corporation, headquartered in Beijing, China, operates in oil and gas and chemical sectors. It has five segments: Exploration and Production, Refining, Marketing and Distribution, Chemicals, and Corporate and Others. The company explores and develops oil fields, produces natural gas, refines crude oil, manufactures and sells petroleum products, and operates oil depots and service stations.	Asia / Pacific Emerging Markets	China
7	Sonatrach Petroleum Corporation	Sonatrach Petroleum Corporation, headquartered in Algiers, Algeria. is a subsidiary of Sonatrach Group, Algeria's state-owned oil and gas company and one of the largest energy companies in Africa. Founded in 1963, Sonatrach plays a pivotal role in Algeria's economy, contributing significantly to government revenues and the country's GDP. It operates across the entire oil and gas value chain, including exploration, production, transportation, refining, and marketing of hydrocarbons.	North Africa	Algeria

S/N	Company Name	Key performance indicators						
		EBITDA (\$'m)	EBITDA Margin %	Net Income (\$'m)	Total Assets (\$'m)	Total Liabilities (\$'m)	ROA %	ROE %
1	NNPC	9,878.0	26.7%	5,076.0	259,318.0	229,342.0	2.0%	16.9%
2	Sonangol E.P	3,666.1	32.9%	1,356.4	16,930.0	17,644.3	8.0%	11.4%
3	Dana Gas PJSC	247.0	78.7%	160.0	2,796.0	252.0	4.0%	6.9%
4	Guanghui Energy Co., Ltd.	1,447.1	16.7%	729.6	8,259.0	3,072.2	8.6%	17.3%
5	PetroChina Company Limited	68,948.1	16.2%	22,725.7	388,166.2	58,270.3	5.7%	11.4%
6	China Petroleum & Chemical Corp.	25,619.6	5.7%	8,223.2	285,534.4	62,083.9	2.7%	7.2%
7	Sonatrach Petroleum Corporation	61.3	3.1%	56.6	664.5	199.7	8.5%	12.2%

Source: Capital IQ and Companies' Annual audited financial statements

This peer analysis provides a comparative overview of NNPC against other major energy companies, based on key performance indicators as seen below.

EBITDA and Margin: NNPC demonstrates strong financial performance with an EBITDA of \$9,878.0 million, placing it among the top performers in its peer group. However, its EBITDA margin of 26.7% is moderate compared to Dana Gas, which leads with a margin of 78.7%, and Sonangol E.P., with 32.9%. While NNPC's margin is competitive, it lags these smaller, more efficient players, highlighting potential areas for efficiency improvements. Nevertheless, its margin outpaces larger competitors like PetroChina (16.2%) and China Petroleum & Chemical Corp. (5.7%), showcasing its relative stability in profitability.

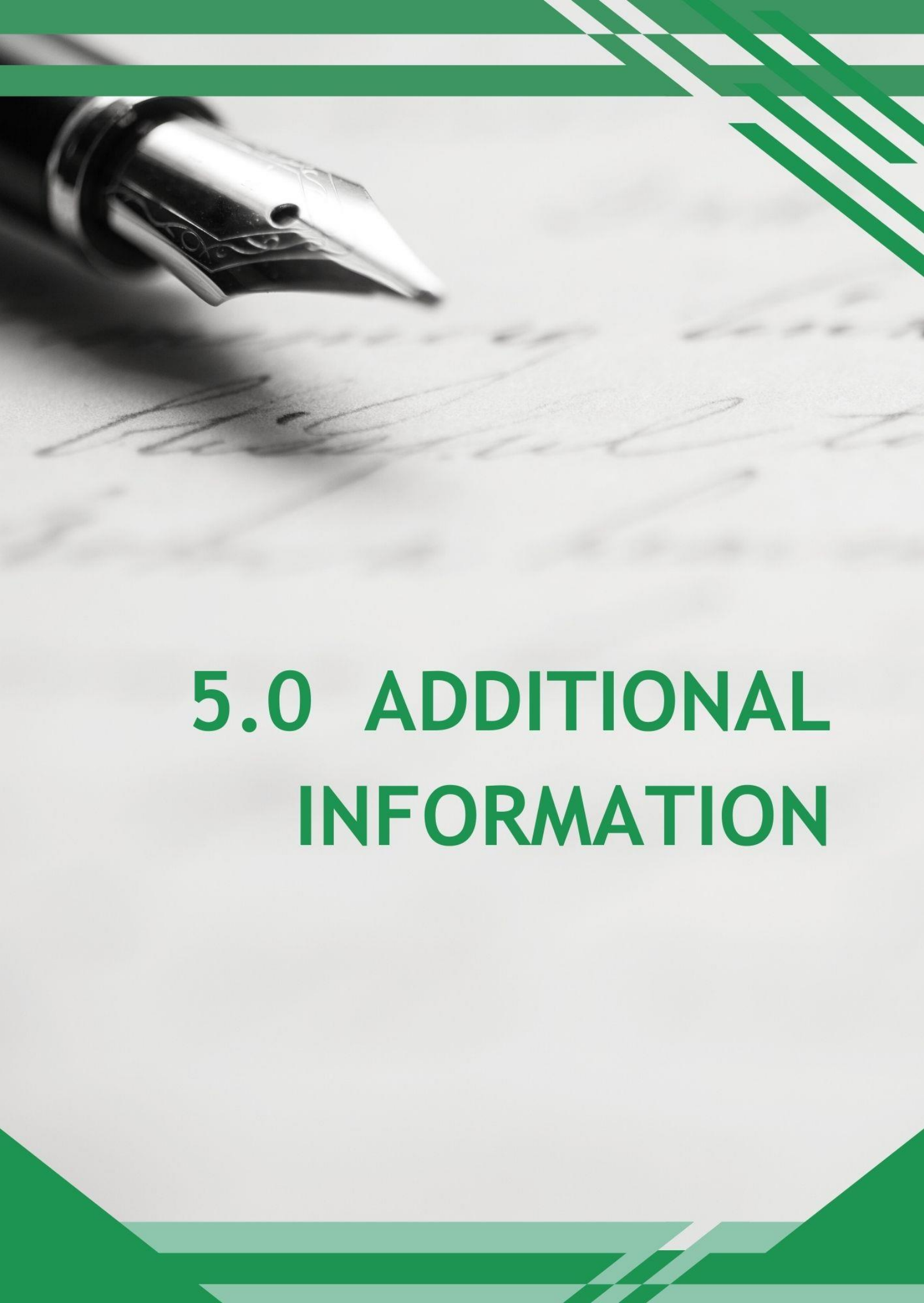
Net Income: In terms of net income, NNPC ranks second among its peers, generating \$5,076.0 million, only behind PetroChina's impressive \$22,725.7 million. This underscores NNPC's strong revenue-generating capability and its ability to convert operations into substantial earnings. It significantly outperforms other peers such as Sonangol E.P. (\$1,356.4 million) and Dana Gas (\$160.0 million), indicating its robust operational scale and profitability.

Asset Base: NNPC's total assets of \$259,318.0 million reflects its position as one of the largest players in the sector. It ranks second only to PetroChina, which holds assets worth \$388,166.2 million. This significant asset base underscores NNPC's operational scale and capacity to undertake large projects. Comparatively, smaller peers like Guanghui Energy (\$8,259.0 million) and Dana Gas (\$2,796.0 million) operate on a much smaller scale, emphasizing NNPC's competitive edge in terms of resource availability and infrastructure.

Liabilities: With total liabilities of \$229,342.0 million, NNPC carries one of the highest debt loads among its peers. While its leverage reflects its large-scale operations, it also underscores the importance of managing debt levels effectively. In comparison, smaller companies such as Dana Gas (\$252.0 million) and Guanghui Energy (\$3,072.2 million) maintain significantly lower liabilities, showcasing leaner balance sheets. NNPC's high liabilities suggest a need for optimization to improve financial health and reduce risks associated with excessive leverage.

ROA and ROE: In terms of operational efficiency, NNPC's return on assets (ROA) is 2.0%, which lags peers like Guanghui Energy (8.6%) and Sonatrach (8.5%). This indicates a lower effectiveness in utilizing assets to generate profits. However, its return on equity (ROE) of 16.9% reflects solid shareholder returns and places NNPC in a competitive position, although slightly below Guanghui Energy, which leads with 17.3%. These figures suggest that while NNPC delivers strong returns for its shareholders, there is room to improve its asset utilization and overall efficiency.

In summary NNPC's performance underscores its strength as a major player in the energy sector, particularly in terms of EBITDA and net income. Its substantial asset base highlights its capacity for large-scale operations, but its high liabilities and lower ROA suggest areas for improvement in financial management and operational efficiency.



5.0 ADDITIONAL INFORMATION

Status of Financial Report Provided by Portfolio Companies for Review

S/N	Portfolio Company	Sector	Total FGN Holding (%)	Status of Financial Statements	
				2023	2022
1	Abuja Electricity Distribution Company	Energy/Power	40.00%	✓	✓
2	African Re-Insurance Corporation	Financial Services	8.20%	✓	✓
3	Ajaokuta Steel Company Limited	Manufacturing	100.00%	x	✓
4	Bank of Agriculture	Financial Services	60.00%	x	✓
5	Bank of Industry	Financial Services	50.44%	✓	✓
6	Benin Electricity Distribution Company	Energy/Power	40.00%	x	x
7	Bio Vaccines Nigeria Limited	Health	49.00%	✓	✓
8	Defence Industries Corporation of Nigeria	Manufacturing/Defense Industry	100.00%	x	x
9	Development Bank of Nigeria Plc.	Financial Services	60.00%	✓	✓
10	Eko Electricity Distribution Company	Energy/Power	40.00%	✓	✓
11	Enugu Electricity Distribution Company	Energy/Power	40.00%	x	✓
12	Family Homes Funds Ltd.	Real Estate	51.00%	✓	✓
13	Federal Mortgage Bank of Nigeria	Financial Services	50.00%	x	✓
14	FGN Power Company Plc	Energy/Power	100.00%	x	✓
15	FGN Roads Sukuk Company Plc	Infrastructure Finance	60.00%	x	x
16	Galaxy Backbone	ICT	35.00%	✓	✓
17	Haske Solar Company Limited	Energy/Renewable Energy	80.00%	✓	✓
18	Ibadan Electricity Distribution Company	Energy/Power	40.00%	x	x
19	Ikeja Electricity Distribution Company	Energy/Power	40.00%	x	✓
20	Jos Electricity Distribution Company	Energy/Power	40.00%	x	x
21	Kaduna Electricity Distribution Plc	Energy/Power	40.00%	x	x
22	Kano Electricity Distribution Company	Energy/Power	40.00%	x	✓
23	Niger Delta Power Holding Company	Energy/Power	46.88%	x	x
24	Nigeria Communication Satellite Company	ICT	99.50%	✓	✓
25	Nigeria Deposit Insurance Corporation	Financial Services	40.00%	✓	✓
26	Nigeria Mortgage Refinance Company	Financial Services	15.68%	✓	✓
27	Nigeria Security Printing and Minting Plc	Manufacturing	9.62%	x	✓
28	Nigeria Sovereign Investment Authority	Financial Services	46.50%	✓	✓
29	Nigerian Bulk Electricity Trading Plc	Energy/Power	100.00%	x	x
30	Nigerian Export-Import Bank	Financial Services	50.00%	✓	✓
31	Nigerian National Petroleum Company Limited	Energy/Oil and Gas	50.00%	✓	✓
32	Nigerian Postal service - NIPOST	Communications	100.00%	x	x
33	Nigerian Railway Corporation	Transportation	100.00%	✓	✓
34	PFI-NPK Limited	Agriculture	100.00%	✓	✓
35	Port-Harcourt Electricity Distribution Company	Energy/Power	40.00%	x	x
36	Presidential Compressed Natural Gas Initiative Limited (PCNGI Ltd)	Energy	100.00%	x	x
37	Royal Eswatini Sugar Company	Agriculture	10.00%	✓	✓
38	The Infrastructure Bank Plc (TIB)	Financial Services	10.31%	✓	✓
39	Transcorp Hilton Hotel Plc	Hospitality	11.04%	✓	✓
40	Yola Electricity Distribution Company	Energy/Power	40.00%	X	x
Total Portfolio companies with financial statements				20	28

Above is a kick-off list of **40 corporate assets**, along with the corresponding status of submission for 2023 and 2022 financial reports. **50%** of the 40 kick-off portfolio companies have audited financial statements for 2023, while **70%** have them for 2022.

✓	Financial statement provided for MOFI records
x	Financial statement not provided for MOFI records
-	Portfolio company was not established or operational

Portfolio Companies Reporting Currency and Dates

S/N	Company Name	Sector	Reporting Currency	Audited Report Period	Audited Report Approval Date
1	Abuja Electricity Distribution Company	Energy	Nigerian Naira	December 31, 2023	September 26, 2024
2	African Reinsurance Corporation	Financial Services	USD	December 31, 2023	June 19, 2024
3	Bank of Industry	Financial Services	Naira	December 31, 2023	May 2, 2024
4	Bio Vaccines Nigeria Limited	Health	Naira	December 31, 2023	April 19, 2024
5	Development Bank of Nigeria Plc.	Financial Services	Naira	December 31, 2023	April 25, 2024
6	Eko Distribution Company	Energy	Naira	December 31, 2023	July 25, 2024
7	Family Homes Fund Limited	Real Estate	Naira	December 31, 2023	August 30, 2024
8	Galaxy Backbone	Information & Communication Technology	Naira	December 31, 2023	November 26, 2024
9	Haske Solar Company Limited	Energy	Naira	December 31, 2023	June 19, 2024
10	Nigeria Deposit Insurance Corporation	Financial Services	Naira	December 31, 2023	May 3, 2024
11	Nigeria Mortgage Refinance Company	Financial Services	Naira	December 31, 2023	March 21, 2024
12	Nigerian Communications Satellite (NigComSat)	Information and Communications Technology	Naira	December 31, 2023	September 2, 2024
13	Nigeria Sovereign Investment Authority	Financial Services	Naira	December 31, 2023	March 24, 2024
14	Nigerian Export-Import Bank	Financial Services	Naira	December 31, 2023	June 25, 2024
15	Nigerian National Petroleum Company Limited	Energy	Naira	December 31, 2023	August 16, 2024
16	Nigerian Railway Corporation (NRC)	Transportation and Logistics	Naira	December 31, 2023	August 21, 2024
17	PFI-NPK	Agriculture	Naira	December 31, 2023	January 3, 2025
18	Royal Eswatini Sugar Corporation	Agriculture	Eswatini Lilangeni (SZL)	March 31, 2023	July 18, 2023
19	The Infrastructure Bank (TIB)	Financial Services	Naira	December 31, 2023	November 11, 2024,
20	Transcorp Hotels Plc	Hospitality	Naira	December 31, 2023	March 28, 2024

Valuation Summary

S/N	Sector	Company Name	2023		2022	
			MOFI Implied Equity Stake (₦)'000	Contribution to Total Implied Value	MOFI Implied Equity Stake (₦)'000	Contribution to Total Implied Value
1	Energy	Abuja Electricity Distribution Company Plc	61,962,332	0.2%	33,818,390	0.3%
2	Energy	EKO Electricity Distribution Company Plc	53,543,194	0.1%	28,781,260	0.2%
3	Energy	Nigerian National Petroleum Company	35,248,625,379	91.3%	11,301,090,422	83.7%
4	Energy	Haske Solar Company Limited	24,695,018	0.1%	10,827,458	0.1%
5	Financial Services	Development Bank of Nigeria Plc.	139,575,315	0.4%	55,828,389	0.4%
6	Financial Services	Bank of Industry	474,878,079	1.2%	301,514,699	2.2%
7	Financial Services	Nigerian Export-Import Bank	63,168,871	0.2%	135,667,372	1.0%
8	Financial Services	Nigeria Sovereign Investment Authority	1,033,326,935	2.7%	262,956,507	1.9%
9	Financial Services	Nigeria Deposit Insurance Corporation	296,635,196	0.8%	29,159,274	0.2%
10	Financial Services	The Infrastructure Bank	420,614	0.0%	472,760,354	3.5%
11	Financial Services	Africa Re-insurance Company	126,246,527	0.3%	215,947	0.0%
12	Financial Services	Nigeria Mortgage Refinance Company	2,449,001	0.0%	1,343,878	0.0%
13	Information and communications Technology	Galaxy Backbone	5,634,028	0.0%	5,821,019	0.0%
14	Information and communications Technology	Nigerian Communications Satellite (NigComSat)	25,907,723	0.1%	8,836,190	0.1%
15	Hospitality	Transcorp Hotels Plc	45,738,141	0.1%	8,207,114	0.1%
16	Agriculture	Royal Eswatini Sugar Corporation (RESC)	21,124,376	0.1%	123,177,546	0.9%
17	Agriculture	PFI-NPK Limited	286,806,432	0.7%	22,600,744	0.2%
18	Real Estate/Housing	Family Homes Fund Limited	38,956,422	0.1%	38,076,369	0.3%
19	Transportation and Logistics	Nigerian Railway Corporation	669,753,585	1.7%	657,179,468	4.9%
20	Health	Bio Vaccines Nigeria Limited	1,520,381	0.0%	1,405,087	0.0%
Total			38,620,967,551	100%	13,499,267,488	100%

Notes

- 1.The implied valuations were derived using available information.
2. An average of two(2) valuation methodologies was used in deriving an implied valuation for each company.
- 3.These implied valuations are therefore estimates and not representative of the value that can be derived from a more rigorous valuation process.

Africa Re	-	African Reinsurance Corporation
AEDC	-	Abuja Electricity Distribution Company
AFCFTA	-	African Continental Free Trade Area
AfDB	-	African Development Bank
AI	-	Artificial Intelligence
AIHS	-	African International Housing Show
AKTS	-	Abuja - Kaduna Train Service
BOI	-	Bank of Industry
BVNL	-	Bio Vaccines Nigeria Limited
CAGR	-	Compound Annual Growth Rate
CAMA	-	Companies and Allied Matters Act
CAR	-	Capital Adequacy Ratio
CIR	-	Cost - to - Income Ratio
CoR	-	Cost of Risk
DBN	-	Development Bank of Nigeria Plc.
DFIs	-	Development Financial Institutions
DIS	-	Deposit Insurance Scheme
DISCOS	-	Distribution Companies
EBITDA	-	Earnings Before Interest, Taxes, Depreciation and Amortization
ECA	-	Export Credit Agency
EKEDC	-	Eko Electricity Distribution Company
eLTE	-	Enhanced Long - Term Evolution
EPSRA	-	Electrical Power Sector Reform Act
EV	-	Enterprise Value
EV/Revenue	-	Enterprise Value to Revenue
EVs	-	Electric Vehicles
FGN	-	Federal Government of Nigeria
FHA	-	Federal Housing Authority
FHFL	-	Family Homes Funds Limited
GBB	-	Galaxy Backbone
GDP	-	Gross Domestic Product
GLCs	-	Government - Linked Companies
GOEs	-	Government - Owned Entities
GW	-	Giga Watts
ICT	-	Information and Communication Technology
IFC	-	International Finance Cooperation
IoT	-	Internet of Things
IRENA	-	International Renewable Energy Agency
JV	-	Joint Venture
LSHS	-	Lagos State Health Insurance Scheme
MDAs	-	Ministries, Departments and Agencies
MOFI	-	Ministry of Finance Incorporated
MOPI	-	Ministry of Petroleum Incorporated
MSMEs	-	Micro, Small and Medium Scale Enterprises
NAFDAC	-	National Agency for Food and Drug Administration and Control
NAIC	-	NSIA Agricultural Investment Company Limited
NAR	-	National Assets Register
NAV	-	Net Assets Value
NCC	-	Nigerian Communications Commission
NDIC	-	Nigerian Deposit Insurance Corporation

NEMSF	-	Nigerian Electricity Market Stabilization Fund
NERC	-	Nigerian Electricity Regulatory Commission
NEXIM	-	Nigerian Export - Import Bank
NHS	-	National Health Service
NigComSat	-	Nigeria Communications Satellite
NIIMP	-	National Integrated Infrastructure Master Plan
NIM	-	Net Interest Margins
NMRC	-	Nigeria Mortgage Refinance Company
NNPCL	-	Nigerian National Petroleum Company Limited
NPM	-	Net Profit Margins
NRC	-	Nigerian Railway Company
NSIA	-	Nigeria Sovereign Investment Authority
P/E	-	Price - to - Earnings
P/B	-	Price - to - Book
PBT	-	Profit Before Tax
PCGS	-	Presidential Conditional Grant Scheme
PCN	-	Pharmacists Council of Nigeria
PCs	-	Portfolio Companies
PFI-NPK	-	Presidential Fertilizer Initiative - Nitrogen Phosphorous and Potassium
PHCN	-	Power Holding Company of Nigeria
PIA	-	Petroleum Industry Act
PPE	-	Property, Plant and Equipment
PPPs	-	Public-Private Partnerships
PSCs	-	Production Sharing Contracts
RESC	-	Royal Eswatini Sugar Corporation
RIPLE	-	Renewable Investment Platform for Limitless Energy
RoA	-	Return on Average Assets
RoAE	-	Return on Average Equity
RoE	-	Return on Equity
SBAS	-	Satellite Based Augmentation System
SOEs	-	State - Owned Enterprises
SSA	-	Sub-Saharan Africa
TIB	-	The Infrastructure Bank
TRANSCORP	-	Transnational Corporation Hotel Plc
UCTL	-	United Capital Trustees Limited
VPD	-	Vaccine - Preventable Diseases
YoA	-	Yield on Earning Assets
ZCG	-	Z Capital Group



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