

**NIGERIAN EXPORT-IMPORT BANK
ANNUAL REPORT
31 DECEMBER 2024**

Table of contents	Page
Corporate information	2
Directors' report	3
Statements of directors' responsibilities for the preparation of financial statements	5
Corporate responsibility for financial reports	6
Report of the independent auditors	7
Statements of profit or loss and other comprehensive income	10
Statements of financial position	11
Statements of changes in equity	12
Statements of cash flows	13
Notes to the financial statements	14
<i>Other national disclosures</i>	
Statement of value added	57
Five-year financial summary	58

CORPORATE INFORMATION

Board of Directors

The Board of Directors was dissolved by the President, Federal Republic of Nigeria on 16 June 2023. However, there were executive directors during the year. These include:

Mr. Abubakar Abba Bello	Managing Director/CEO
Mr. Ibrahim Gaga	Executive Director
Hon. Mrs. Stella Okotete	Executive Director
Company Secretary:	Mustapha Usman FRC/2020/002/00000021506 Company Secretary Abuja, Nigeria
Registered Office	NEXIM House Plot 975, Cadastral Zone AO Central Business District Garki, Abuja
Auditor	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Street Victoria Island, Lagos.
Bankers	Access Bank Plc Central Bank of Nigeria Citibank Nigeria Limited Ecobank Nigeria Limited Keystone Bank Polaris Bank Unity Bank Plc Standard Chartered Bank of Nigeria Limited SunTrust Bank Wema Bank Plc United Bank Of Africa
Solicitor	Femi Atoyebi (SAN) &Co Babatunde Ogala & Co S.S Gezawa & Co Dikko & Mohmoud Habeeb & Co B.L Aliyu & Associates Prime Juris Alliance Law Firm D.D Fiderikumo & Co CLP Legal Associates Attorneys Chatam Partners Kanmi Gbadamosi & Associates Chamber of Moh'd Shuaib D.D Dodo & Co M.A Banire & Associates Lawseed & Partners Solomon Umoh SAN & Co Ogugua Ojeh & Co C.J Odogwu & Associates Steadfast Solicitors Path Solicitors Dr. Yakubu Inuwa & Co Obuabara Chambers Ademola & Ademola ECOO Solicitors Odeh Edekpola & Associates A.A Ibrahim (SAN) & Co Nnamdi Onuigwe & Co Olivehands Legal Practitioners Ajene Ofikwu & Associates Usman Dalhatu & Co Olatunde Adejuyigbe & Co Justice Alive Chambers Kunle Ogungba & Associates Fortbanc Solicitors Footprint Solicitors Supo- Ati John Solicitors A.U Mustapha & Co
Actuarial Specialist	Zamara Consulting Actuaries Nigeria Limited FRC/2019/00000012910
Tax Identification Number (TIN)	The Bank is not liable to Income tax in line with the NEXIM Act of the Federation of Nigeria 1991

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report on the affairs of Nigerian Export-Import Bank (“the Bank”) together with the auditor’s report for the year ended 31 December 2024

(a) Legal form and principal activities

The Nigerian Export-Import Bank (“NEXIM” or the “Bank”) was established by Act 38 of 1991 as an Export Credit Agency (ECA). The Bank, which replaced the Nigerian Export Credit Guarantee & Insurance Corporation earlier set up under Act 15 of 1988, has the following main statutory functions: provision of export credit guarantee and export credit insurance facilities to its clients, provision of credit in local currency to its clients in support of exports, establishment and management of funds connected with exports, maintenance of a foreign exchange revolving fund for lending to exporters who need to import foreign inputs to facilitate export production, maintenance of a trade information system in support of export business and provision of domestic credit insurance where such a facility is likely to assist exports.

The 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 is a bank incorporated and domiciled in Nigeria. Its registered office is at Plot 975, Cadastral Zone AO, Central Business District, Garki, Abuja.

The Bank was established to carry on the business of provision of export credit guarantee and export credit insurance facilities to its clients, provision of credit in local currency to its clients in support of exports, establishment and management of funds connected with exports, maintenance of a foreign exchange revolving fund for lending to exporters who need to import foreign inputs to facilitate export production, maintenance of a trade information system in support of export business and provision of domestic credit insurance where such a facility is likely to assist exports.

(b) Operating results

Highlights of the Bank’s operating results for the year are as follows:

	2024	2023
	N'000	N'000
Profit before tax	30,471,507	13,175,854
Income Tax Expense	-	-
Profit after tax	30,471,507	13,175,854

(c) Dividends

The bank did not pay any dividend during the year (2023: Nil)

(d) Directors and their interests

The Board of Directors was dissolved by the President, Federal Republic of Nigeria on 16 June 2023. However, there were executive directors during the year. These include:

Names

Mr. Abubakar Abba Bello	Managing Director/CEO
Mr. Ibrahim Gaga	Executive Director
Hon. Mrs. Stella Okotete	Executive Director

(e) Directors shareholding

In line with Section 2 Subsection 1 of the Nigerian Export-Import Bank Act (NEXIM Bank Act) 1991, the authorised share capital of the Bank is subscribed equally by the Government of the Federation through the Ministry of Finance Incorporated and the Central Bank of Nigeria. In line with Section 2 Subsection 2, no new shareholders were approved, and there was no Director that held shares in the Bank during the year.

(f) Directors' interests in contracts

None of the Directors had direct or indirect interests in contracts or proposed contracts with the Bank during the year.

(g) Property and equipment

Information relating to changes in property and equipment is given in Notes 21 to the financial statements. In the Directors' opinion, the realisable value of the Bank's properties is not less than the value shown in the financial statements.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

(h) Substantial interest in shares:

According to the register of members as at 31 December 2024, two shareholders hold the issued share capital of the Bank:

Shareholder	2024		2023	
	Number of Shares held	Percentage of Shareholding %	Number of Shares held	Percentage of Shareholding %
Ministry of Finance Incorporated (MOFI)	25,000,000	50%	25,000,000	50%
Central Bank of Nigeria (CBN)	25,000,000	50%	25,000,000	50%
	50,000,000	100	50,000,000	100

(i) Events After Reporting Period

There were no events after the end of the reporting period which could have a material effect on the financial statements of the Bank which have not been recognized and/or disclosed in the financial statements.

(j) Donations and charitable gifts

The Bank made no donations during the year (2023: N4.63million to Petroleum Technology Association of Nigeria).

(k) Human resources

Health, safety and welfare at work

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

Employment of disabled persons

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from disabled persons. All employees, whether or not disabled are given equal opportunities to develop. The Bank has no disabled person in its employment (2023: nil).

Employee consultation and training

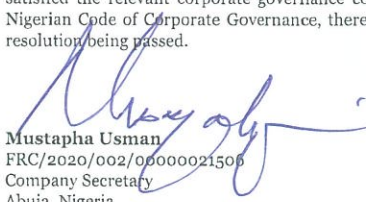
The Bank places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Bank. In line with this, formal and informal channels of communication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

(l) Internal Control over Financial Reporting (ICFR)

In accordance with Sec.7(2f) of the Financial Reporting Council (amendment), Act. 2023; and the Financial Reporting Council of Nigeria's Guidance on Management Report on Internal Control, the Bank is required to assess and report on the effectiveness of Internal Control over Financial Reporting. However, the Bank obtained a waiver on 3 March 2025 for the assessment and reporting of Internal Control Over Financial Reporting for the year ended 31 December 2024.

(m) Auditors

The Auditors, Messrs. KPMG Professional Services have indicated their willingness to continue in office as auditors to the Company having satisfied the relevant corporate governance corporate governance rules on their tenure in office. In accordance with Section 20.2 of the Nigerian Code of Corporate Governance, therefore, the auditors will be re-appointed at the next General Meeting of the Bank without any resolution being passed.


Mustapha Usman
FRC/2020/002/00000021506
Company Secretary
Abuja, Nigeria
03 April 2025

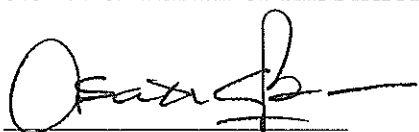
**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS AS AT
31 DECEMBER 2024**

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the provisions of the NEXIM Act of the Federation of Nigeria 1991, Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the provisions of the NEXIM Act of the Federation of Nigeria 1991, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Abubakar Abba Bello
Managing Director/CEO
FRC/2018/IOD/00000001866
03 April 2025



Ibrahim Khalil Gaga
Executive Director, Corporate Services
FRC/2022/PRO/NBA/004/00000024054
03 April 2025

CORPORATE RESPONSIBILITY FOR FINANCIAL REPORTS

The Managing Director and the Executive Director, Corporate Services of NIGERIAN EXPORT-IMPORT BANK have reviewed the audited financial statements and accept responsibility for the financial and other information within the financial statements.

The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Bank are hereby provided below:

Financial Information

- (a) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- (b) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Bank as of and for the year ended 31 December 2024

Effective Internal Controls

- (a) Effective internal controls have been designed to ensure that material information relating to the Bank are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
- (b) The effectiveness of the Bank's Internal controls have been evaluated within 90 days prior to 31st December 2024.
- (c) The Bank's Internal Controls are effective as at 31st December 2024.

Disclosures

- (a) There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Bank's Internal Control systems.
- (b) There were no fraud events involving Senior Management or other employees who have a significant role in the Bank's Internal control.
- (c) There were no significant changes in internal controls or in other factors that could significantly affect internal controls.



Abubakar Abba Bello
Managing Director/CEO
FRC/2018/IOD/00000001866
03 April 2025



Ibrahim Khalil Gaga
Executive Director, Corporate Services
FRC/2022/PRO/NBA/004/00000024054
03 April 2025

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
Lagos

Telephone 234 (1) 271 8955

234 (1) 271 8599

Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nigerian Export-Import Bank

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nigerian Export-Import Bank ("the Bank"), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Nigerian Export Import Bank Act (NEXIM Act), 1991, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the corporate information, Director's report, Statement of director's responsibilities, corporate responsibilities for financial reports and other national disclosures but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Nigerian Export Import Bank Act (NEXIM Act), 1991 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

- i. The Bank did not pay any penalties during the year ended 31 December 2024.
- ii. Related party transactions and balances are disclosed in note 28 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:

Elijah Oladunmoye, FCA
FRC/2013/ICAN/00000019769
For: KPMG Professional Services
Chartered Accountants
5 May 2025
Lagos, Nigeria



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of Nigerian Naira

	Note	31 December 2024	31 December 2023
Interest income calculated using effective interest method	7	26,119,760	19,723,713
Interest expense	8	(3,486,152)	(3,437,395)
Net interest income		22,633,608	16,286,318
Impairment charges	9	(3,033,509)	(7,759,516)
Net interest income after impairment charge for credit losses		19,600,099	8,526,802
Fee and commission income	10	12,520	5,890
Other operating income	11	24,989,969	15,078,827
Operating income		44,602,588	23,611,519
Personnel expenses	13	(4,129,746)	(4,038,086)
Depreciation of property, plant and equipment	21	(395,175)	(259,780)
Depreciation of right of use assets	23	(55,773)	(38,787)
Amortisation of intangible assets	22	(70,861)	(62,841)
Other operating expenses	12	(9,479,526)	(6,036,171)
Operating expenses		(14,131,081)	(10,435,665)
Profit for the year		30,471,507	13,175,854
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	19.1	43,891,359	24,571,874
-Re-measurement gain/(loss) on defined benefit plans	26.3	953,539	616,759
Other comprehensive income for the year		44,844,898	25,188,633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		75,316,405	38,364,487
Basic/diluted earnings per share (kobo)	15	60.94	26.35

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


STATEMENT OF FINANCIAL POSITION

as at

In thousands of Nigerian Naira

	Note	31 December 2024	31 December 2023
ASSETS			
Cash and bank balances	16	159,977,030	106,256,348
Due from banks	17	-	48,315
Loans and advances to customers	18	205,038,995	155,826,925
Equity instruments at FVOCI	19	79,127,289	32,269,084
Other assets	20	4,674,810	860,138
Property, plant and equipment	21	3,042,902	2,961,585
Right-of-use assets	23	72,291	121,379
Intangible assets	22	126,562	140,770
Net employee defined benefit assets	26.1	4,008,696	2,854,330
Total assets		456,068,575	301,338,874
LIABILITIES			
Debt securities issued and other borrowed funds	24	276,004,979	197,583,685
Other liabilities	25	17,407,329	16,843,739
Total liabilities		293,412,308	214,427,424
EQUITY			
Share capital	27 (a)	50,000,000	50,000,000
Accumulated gain/(loss)	27 (b)	25,202,220	(3,258,173)
Regulatory risk reserve	27 (c)	15,741,607	12,348,543
Fair value reserve	27 (c)	71,212,440	27,321,081
Other reserve	27 (d)	500,000	500,000
Total equity		162,656,267	86,911,451
Total equity and liabilities		456,068,575	301,338,875

The financial statements were approved by the Supervising Minister of Finance on 3 April 2025. The Financial Statements were signed on his behalf by:

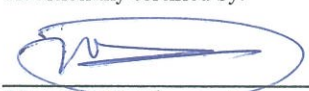


Abubakar Abba Bello
Managing Director
FRC/2018/IOD/0000001866



Ibrahim Khalil Gaga
Executive Director, Corporate Services
FRC/2022/PRO/NBA/004/00000024054

Additionally certified by:



Umar D. Rami
Chief Financial Officer
FRC/2013/ICAN/00000004826



Rasaq A. Ozemede
Head, Internal Audit
FRC/2013/ICAN/00000002875

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended

In thousands of Nigerian Naira

	Share capital	Fair Value reserve	Retained earnings	Regulatory risk reserve	Other reserve	Total Equity
Balance at 1 January 2024	50,000,000	27,321,081	(3,258,172)	12,348,543	500,000	112,448,021
Profit for the year	-	-	30,471,507	-	-	30,471,507
Other comprehensive income	-	43,891,359	953,539	-	-	44,844,898
Total comprehensive income	-	43,891,359	31,425,046	-	-	75,316,405
Transfer to regulatory risk reserves	-	-	(3,393,064)	3,393,064	-	-
At 31 December 2024	50,000,000	71,212,440	25,202,220	15,741,607	500,000	162,227,856

In thousands of Nigerian Naira

	Share capital	Fair Value reserve	Accumulated loss	Regulatory risk reserve	Other reserve	Total Equity
Balance at 1 January 2023	50,000,000	2,749,207	(42,587,355)	37,885,112	500,000	48,546,964
Profit for the year	-	-	13,175,854	-	-	13,175,854
Other comprehensive income	-	24,571,874	616,759	-	-	25,188,633
Total comprehensive income	-	24,571,874	13,792,613	-	-	38,364,487
Transfer to regulatory risk reserves	-	-	25,536,569	(25,536,569)	-	-
Transactions directly affecting equity holders:						
Issue of additional share capital	-	-	-	-	-	-
Balance as at 31 December 2023	50,000,000	27,321,081	(3,258,172)	12,348,543	500,000	112,448,021

The accompanying notes forms an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of Nigerian Naira

	Note	31 December 2024	31 December 2023
Operating activities			
Profit for the year		30,471,507	13,175,854
Adjustment for: Non-cash items			
Depreciation of property, plant and equipment	21	395,175	259,780
Amortisation of intangible assets	22	70,861	62,841
Depreciation of right-of use assets	23	55,773	38,787
Employee benefit cost	31(f)	(200,824)	126,171
Interest expense	8	3,486,152	3,437,395
Impairment loss on financial assets	9	3,033,509	7,645,533
Net unrealised exchange gain	11(a)	(14,874,734)	(10,293,755)
Interest income	7	(26,119,760)	(19,723,713)
Dividend income	11	(3,227,024)	(1,008,701)
(Gain)/loss from disposal of property, plant and equipment	11	(7,870)	76,205
Net changes in operating assets/liabilities			
Net change in loans and advances	31(b)	(36,699,737)	27,397
Net change in other assets	31(c)	(3,825,416)	(62,545)
Net change in other liabilities	31(d)	563,590	3,425,474
Dividend received	11	3,227,024	1,008,701
Interest received	7	10,770,847	6,585,943
Interest paid	24	(1,486,771)	(2,885,138)
Net cash flows from/(used) in operating activities		(34,367,698)	1,896,229
Investing activities			
Purchase of equity instruments at FVOCI	19	(2,966,846)	(1,124,626)
Prepayments for leased assets	23	(8,992)	(104,101)
Purchase of property, plant and equipment	21	(478,330)	(363,065)
Purchase of intangible assets	22	(16,427)	(35,338)
Proceeds from sale of property, plant and equipment	31(e)	8,871	58,385
Net cash flows used in investing activities		(3,461,724)	(1,568,745)
Financing activities			
Proceeds from debt securities issued and other borrowed funds	24	46,074,600	-
Repayments of debt securities issued and other borrowed funds	24	(7,578,872)	(693,743)
Net cash flows (used in)/from financing activities		38,495,728	(693,743)
(Decrease)/increase in cash and cash equivalents		666,306	(366,259)
Cash and cash equivalents at 1 January	28	110,112,735	77,904,739
Effect of exchange rate fluctuations on cash held		52,763,835	32,574,255
Cash and cash equivalents at the 31 December	28	163,971,286	110,112,735

The accompanying notes forms an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Reporting entity

The Nigerian Export-Import Bank (“NEXIM” or the “Bank”) was established by Act 38 of 1991 as an Export Credit Agency (ECA). The Bank, which replaced the Nigerian Export Credit Guarantee & Insurance Corporation earlier set up under Act 15 of 1988, has the following main statutory functions: provision of export credit guarantee and export credit insurance facilities to its clients, provision of credit in local currency to its clients in support of exports, establishment and management of funds connected with exports, maintenance of a foreign exchange revolving fund for lending to exporters who need to import foreign inputs to facilitate export production, maintenance of a trade information system in support of export business and provision of domestic credit insurance where such a facility is likely to assist exports.

The 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 is a bank incorporated and domiciled in Nigeria. Its registered office is at Plot 975, Cadastral Zone AO, Central Business District, Garki, Abuja.

In accordance with Sec.7(2f) of the Financial Reporting Council (amendment), Act. 2023; and the Financial Reporting Council of Nigeria's Guidance on Management Report on Internal Control, the Bank is required to assess and report on the effectiveness of Internal Control over Financial Reporting. However, the Bank obtained a waiver on 3 March 2025 for the assessment and reporting of Internal Control Over Financial Reporting for the year ended 31 December 2024.

2 Basis of accounting

a Statement of Compliance

The financial statement have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) . They were approved by the Minister of Finance on 3 April 2025.

The financial statements are prepared on a going concern basis, as management is satisfied that the Bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Bank. The provisions of the NEXIM Act of the Federation of Nigeria 1991, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and relevant circulars and guidelines issued by the Central Bank of Nigeria.

b Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following:

- Financial instruments measured at fair value through other comprehensive income.

c Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of the Bank's accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 5.2(b): establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 6.

d Functional and presentation currency

The financial statements are presented in Naira, which is the Bank’s functional currency. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

3 Changes in material accounting policy and disclosures

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2024. The Bank also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies.

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3.1 New and Revised Standards and Interpretations not yet effective

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Bank are set out below.

The Bank do not plan to adopt these standards early. The IFRS Accounting Standards will be adopted in the period that they become mandatory unless otherwise indicated:

Standards Not Effective	Disclosures and Impact
Lack of Exchangeability (Amendments to IAS 21).	<p>The amendments clarify:</p> <ul style="list-style-type: none">• when a currency is exchangeable into another currency; and• how a company estimates a spot rate when a currency lacks exchangeability. <p>Assessing exchangeability: When to estimate a spot rate. A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.</p> <p>Estimating a spot rate: Meeting the estimation objective:</p> <p>A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.</p> <p>Therefore, when estimating a spot rate a company can use:</p> <ul style="list-style-type: none">— an observable exchange rate without adjustment; or— another estimation technique. <p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:</p> <ul style="list-style-type: none">— the nature and financial impacts of the currency not being exchangeable.— the spot exchange rate used.— the estimation process; and— risks to the company because the currency is not exchangeable. <p>The amendments apply for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Bank has assessed that this would not have a material impact on its financial statements as all currencies held by the bank do not lack exchangeability</p>
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)	<p>The International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments. The key amendments include the following:</p> <ul style="list-style-type: none">• Settlement of financial liabilities through electronic payment systems: The amendments clarify that a financial liability is derecognised on the ‘settlement date’. However, the amendments provide an exception for the derecognition of financial liabilities. This exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system, provided that specified criteria are met.• Additional SPPI Test for Contingent Features: The amendments introduce an additional SPPI test for financial assets with contingent features that are not directly related to a change in basic lending risks or costs – for example, where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets, including those with ESG linked features, could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.• Clarification on Contractually Linked Instruments (CLIs): The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. They also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).• Additional Disclosure Requirements: The amendments require additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to a change in basic lending risks or costs and are not measured at fair value through profit or loss <p>The amendments apply for reporting periods beginning on or after 1 January 2026. Early adoption is permitted. The Bank has assessed the standard to not have a material impact on the financial statement as it has no transactions falling within the scope of the amendments.</p>

NOTES TO THE FINANCIAL STATEMENTS

Standards Not Effective	Disclosures and Impact
Annual Improvements to IFRS Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7 Ammendments)	<p>IFRS 1 First-time Adoption of International Financial Reporting Standards: Paragraphs B5–B6 of IFRS 1 First-time Adoption of International Financial Reporting Standards was amended to:</p> <p>a. improve their consistency in wording with the requirements in IFRS 9 Financial Instruments; and</p> <p>b. add cross-references to improve the understandability of IFRS 1.</p> <p>IFRS 7 Financial Instruments: Disclosures</p> <p>- Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> <p>- Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.</p> <p>- Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.</p> <p>IFRS 9 Financial Instruments:</p> <p>1. Initial measurement of trade receivables. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Amendment on trade receivables could prompt accounting policy change.</p> <p>2. Derecognition of a lease liability. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB’s amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.</p> <p>IFRS 10: The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.</p> <p>IAS 7 Statement of Cash Flows: This amendment replaces the term ‘cost method’ in paragraph 37 of IAS 7 with ‘at cost’.</p> <p>The Bank has assessed the amendments to be of no material impact to the financial statements.</p>
Presentation and Disclosure in Financial Statements (IFRS 18)	<p>IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements.</p> <p>The new standard introduces the following key new requirements:</p> <ul style="list-style-type: none">• It promotes a more structured income statement, in particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company’s main business activities.• All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a company’s operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category.• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.• Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as ‘other’ and will now be required to disclose more information if they continue to do so.• Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.• It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income <p>IFRS 18 is effective from 1 January 2027 and applies retrospectively. It is available for early adoption. The Bank has assessed this to have a material impact on the financial statement. However, the Bank has opted to not adopt the provisions of this standard early.</p>

NOTES TO THE FINANCIAL STATEMENTS

4 Material Accounting Policies

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

4.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Bank at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

4.2 Interest income and interest expense

Interest income and expense for all interest bearing financial instruments, are recognised within ‘interest income’ and ‘interest expense’ in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to:

- the gross carrying amount of the financial assets
- the amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit -impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but no ECL. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated using the estimated future cash flows including ECL.

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

4.3 Fees and commissions income and expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including, letter of credit fees and loan application fees, are recognised as the related services are performed.

4.4 Net trading and foreign exchange income

Net trading income and foreign exchange income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences. Net gains or losses on derivative financial instruments measured at fair value through profit or loss are also included in net trading income.

4.5 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period. Dividend on equity instruments designated at FVOCI that clearly represent a recovery part of the cost of investment are presented in OCI.

4.6 Income tax

In accordance with section 23(1) (a) of the Company Income Tax Act, the profit of the Bank is exempted from income taxes as such no deferred tax is also recognised.

4.7 Financial assets and financial liabilities

a Recognition and initial measurement

The Bank initially recognizes loans and advances, debt securities issued and subordinated liabilities on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

NOTES TO THE FINANCIAL STATEMENTS

b Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) or FVTPL. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 1) The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- 2) How the performance of the portfolio is evaluated and reported to management;
- 3) The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- 4) How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 5) The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

The Bank's primary business is to provide lending services to Nigerian exporters. The Bank 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.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Non-recourse loans

In some cases, loans made by the Bank that are secured by collateral of the borrower limit the Bank's claim to cash flows of the underlying collateral (nonrecourse loans). The Bank applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Bank typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Bank's risk of loss on the asset relative to a full-recourse loan;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Bank will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

c Derecognitions

Financial Assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire (see also 4.7 d), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss. Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

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

Financial Liabilities

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

d Modifications of financial assets and financial liabilities

Financial Assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see "write-off" policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank firsts recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial Liabilities

The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability. If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss.

For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

NOTES TO THE FINANCIAL STATEMENTS

Interest rate benchmark reform

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Bank updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Bank first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Bank applies the policies on accounting for modifications set out above to the additional changes.

e Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions.

f Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

g Impairment of financial assets

The Bank recognizes loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL: financial assets that are debt instruments; and

- Financial guarantee contracts issued;
- No impairment loss is recognized on equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognized are referred to as ‘Stage 1 financial instruments’. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

NOTES TO THE FINANCIAL STATEMENTS

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as ‘Stage 2 financial instruments’. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Financial instruments for which lifetime ECL are recognized and that are credit-impaired are referred to as ‘Stage 3 financial instruments’.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive;
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable; and
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment.
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Measurement of 12-month ECL

12-month ECL is defined as a portion of the lifetime ECLs that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring. They are not the actual losses on financial instruments that are forecasted to actually default in the next 12 months.

Measurement of Lifetime ECL

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. They would be estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- The contractual cash flows that are due to the Bank under the contract, and
- The cash flows that the Bank expects to receive

As ECLs take into account both the amount and the timing of payments, a credit loss arises even if the Bank expects to receive all the contractual payments due, but at a later date. The Bank recognizes lifetime expected credit losses on its loan and debt portfolios that have had a significant increase in credit risk since initial recognition with no objective evidence of impairment. In order to do this, management develops lifetime Probabilities of Default (PDs), Exposures At Default (EADs) and Loss Given Default (LGDs).

Significant increase in credit risk or low credit risk

For its loans to customers, the Bank monitors the credit risk using its Internal and External Credit Rating assigned at origination of the loans, each credit rating has an assigned PD. A change in credit rating that will cause a movement between grades is considered a significant increase in credit risk. The Bank has a system in place for determining significant increase in credit risk which are split into quantitative, qualitative and backstop indicators.

Quantitative indicators

These include the following:

- material breach of contract, such as a default or delinquency in interest or principal payments
- the financial asset is 90 days past due except for specialized loans for which the presumption is rebutted

Qualitative indicators

These include the following:

- internal risk classification – Classification as performing, watchlist and non-performing
- actual or expected significant change in the financial instrument’s credit rating
- identification of the loan or customer on a ‘Watchlist’ or other forbearance indicators
- significant financial difficulty of a borrower or issuer
- restructure of the facility based on financial issues with the borrower
- Management override

Backstop indicators

This applies when the financial asset is 30 days past due on repayment of principal and interest.

Forward looking information

In determining whether there has been a significant increase in credit risk and in determining the expected credit loss calculation, IFRS 9 requires the consideration of forward-looking information. The determination of significant increase in credit risk is required to include consideration of all reasonable and supportable information available without undue cost or effort. This information will typically include forward-looking information based on expected macroeconomic conditions and specific factors that are expected to impact individual portfolios.

The incorporation of forward-looking information represents a significant change from existing accounting requirements which are based on observable events. The use of such forward-looking information will increase the use of management judgement and is expected to increase the volatility of impairment provisions as a result of continuous changes in future expectations. The forward-looking framework will be based on the Bank’s economic expectations, industry and sub-sector-specific expectations, as well as expert management judgement.

NOTES TO THE FINANCIAL STATEMENTS

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost, debt financial assets carried at FVOCI are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in retained earnings.

Collateral

The Bank obtains collateral where appropriate, from customers to manage their credit risk exposure to the customers. The collateral normally takes the form of a lien over the customer's assets and gives the Bank a claim on these assets for customers in the event that the customer defaults.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are recognized when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

4.8 Loans and advances

Loans are debt instruments recognized initially at fair value and are subsequently measured at amortised cost. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognised in interest income using the effective interest method, the estimated future cash flows used in calculation include those determined by the contractual term of the asset and all fees are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as interest income over the expected term of such loans using effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

4.9 Investment securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with our policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a net gain/(loss) on Investment securities in Net trading and foreign exchange income.

Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on Investment securities in net trading and foreign exchange income.

Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized. Dividends from FVOCI equity securities are recognized in other operating income.

4.10 Cash and bank balances

Cash and bank balances include notes and coins in hand, current balances with other banks, balances held with Central Bank and placements with banks which are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

Cash and bank balances are carried at amortised cost in the statement of financial position.

4.11 Property and equipment

(a) Recognition and measurement

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

(b) Subsequent costs

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

(c) Depreciation

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

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

Land	Not depreciated
Freehold buildings	50 years
Leasehold improvements	Over the shorter of the useful life of item or the lease period
Motor vehicles	4 years
Furniture and Fittings	5 years
Computer equipment	4 years
Plant and Machinery	4 years
Work in progress	Not depreciated
Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.	

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

(d) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

4.12 Intangible assets

Software

(a) Recognition and measurement

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

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

(b) Subsequent costs

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

(c) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

(d) Derecognition

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

4.13 Provisions

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

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

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

4.14 Employee benefits

Post-employment benefits

Defined contribution plans

The Bank operates defined contribution pension scheme. A defined contribution plan is a pension plan under which the Bank makes fixed contributions on contractual basis. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are recognized as an expense in profit or loss when they are due. In accordance with the provisions of the Pensions Reform Act 2014, the Bank contributes 10% of the employees' basic salary, housing and transport allowances while the employees contribute 8%.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term employee benefits if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

The Bank has a scheme called the NEXIM Bank Retiree and Gratuity Scheme to provide retirements benefits to staff or their dependents. The NEXIM gratuity fund consists of:

- i) 26.79% of Basic housing and transport allowance contribution, made by the Bank annually, on behalf of it's employees.
- ii) The percentage contribution is to be revised by the Bank, as and when the need arises.

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases, mortality rates and inflation rates.

The benefits payable under the gratuity to its retiring staff is conditioned by the following:

- i) Employees who have put in five years of service shall be entitled to payment of gratuity based on their annual basic salaries and allowances as may be approved by the Bank from time to time
- ii) The amount shall progress by 8% per annum for each completed year of service after the first five years, up to a maximum of 340% for thirty-five years of service.

NOTES TO THE FINANCIAL STATEMENTS

4.15 Share capital and reserves

a Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

b Dividend on ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Bank's shareholders.

c Earnings per share

The Bank presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

d Regulatory risk reserve

The Nigerian banking regulation requires Development Financial Institutions (DFIs) to create a reserve for the difference between impairment charge determined in line with the principles of IFRS Accounting Standards and impairment charge determined in line with the prudential guidelines issued by the Central Bank of Nigeria. This reserve is not available for distribution to shareholders.

4.16 Operating expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized when service has been rendered.

4.17 Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank assesses the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses relating to goodwill are not reversed in future periods.

4.18 Leases

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

(i) The Bank as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative standalone price.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability are made up of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The bank presents the right-of-use assets as a line item and lease liabilities in "other liabilities" in the statement of financial

Short term leases and leases of low value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) The Bank as a lessor

At inception or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. The Bank also determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At the commencement date of a finance lease, as a lessor, the Bank recognises assets held under a finance lease in the its statement of financial position and presents them as a receivable at an amount equal to the net investment in lease.

At the commencement of an operating lease, as a lessor, the Bank recognises lease payments from operating leases as income on a straight-line basis. The Bank applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5 FINANCIAL RISK MANAGEMENT

5.1 Introduction and overview

The Bank has exposure to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

In addition the Bank has identified climate risk as an emerging risk arising from financial instruments that has a growing impact on the Bank's activities

Risk management framework

The Directors have overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Directors oversees how management monitors compliance with the Bank's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank.

Risk measurement and reporting systems

The Bank subscribes to the Central Bank of Nigeria (CBN) Credit Risk Management System for information on credit history when considering credit applications. The Bank's policy also provides for a two-dimensional credit rating assessment of financial ratios in system involving the determination of an obligor rating and a facility rating for each exposure.

Risk mitigation

The Bank uses a diverse range of collateral types to actively mitigate against credit exposures. In so doing the Bank is guided by key eligibility criteria such as liquidity, marketability, legal certainty, amenability to pricing and zero material positive correlation with the underlying exposure.

To safeguard and ensure the effectiveness of collaterals, the Bank ensures inspection and revaluation of the collaterals at prescribed intervals.

Excessive risk concentration

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

Risk asset portfolio is actively managed to promote liquidity, flexibility and diversification (i.e. limit concentration risk to any industry, sector, region or individual customer). In line with the CBN Prudential Guidelines, the Bank continually defines and reviews its target market. Sectoral limits are reviewed and reset annually in line with evolving business needs.

5.2 Credit Risk

Credit risk is the risk of financial loss to the Bank is a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

a Management of credit risk

The Directors created the Management Credit Committee for the oversight of credit risk, and the Director's with it's related business units are responsible for the following:

- i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements
- ii) Establishing and authorisation structure for the approval and renewal of credit facilities.
- iii) Limiting concentration of exposure to counterparties, geographies and industries (for loans and advances) and by issuer, credit rating band and market liquidity.
- iv) Reviewing compliance of business units with agreed exposure limits, including those selected industries, country risk and product types.
- v) Reviewing and assessing credit risk: The Credit Committee assesses all credit exposure in excess of designated limits, before facilities are committed to customers by the business unit concerned
- vi) Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank.

Each business unit is required to implement the Bank credit policies and procedures, with credit approval authorities delegated from the Management Credit Committee. Regular audits of the various business units and Bank's credit processes are undertaken by Internal Audit.

Trade areas that enjoy the support of the Bank are visible and invisible exports which include, but not limited to, primary commodities, manufactured and semi-manufactured goods, imports for production of export goods, solid minerals and services.

Eligible transactions include:

- All transactions connected with export of goods wholly or partly manufactured in Nigeria;
- All transactions connected with export of commodities which are exportable under the laws of Nigeria;
- All transactions connected with projects established for the production of export goods or for the production of inputs into the production of manufactured goods meant for export;
- All export-generating imports, principally raw materials, equipment and spare parts required by a manufacturing exporter; and
- All export of services.

Eligible borrowers/beneficiaries of the Bank's facilities/services are: Export Agencies and Exporters duly registered in Nigeria as limited liability companies or co-operative societies (whether as manufacturing, merchant exporters or service companies).

b Credit Risk Measurement

The Bank undertakes lending activities after careful analysis of the borrowers' general character, capacity to repay, cash flow, credit history, organisational/management quality, financial condition, market position, business operations, industry and other factors. The Bank acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately dimension the risks in each business segments.

b(i) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing;

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations)

The Bank uses three criteria in determining whether there has been a significant increase in credit risk:

- a quantitative test based on movement in PD
- qualitative indicators; and
- a backstop of 30 past due, except for

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

b(ii) Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

b(iii) Incorporation of forward-looking information

The Bank formualtes three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecast and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in countries where the Bank operates, supranational organizations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasts.

The crude oil and Unemployment rate in Nigeria was taken as the macroeconomic variables for the purpose of factoring forward looking information (FLI) into the ECL estimate across its portfolios. An estimation of 22% deterioration in the forecasted Crude Oil Price and Unemployment Rate were taken as downside scenarios and 15% improvements in the forecasted economic variables were taken as the upside scenario. Scenario probability weights were taken as 15% : 64% : 22% for Upside, Central and Downside respectively. The Bank performed linear regression using the Bank wide NPL ratio as its dependent variable. The NPL ratio was used as a proxy for the default rate as the dependent variable.

The scenario probability weightings applied in measuring ECL are as follows

2024			
As at 31 December	Upside	Central	Downside
Scenrio probability weigting	14.55%	63.64%	21.62%
2023			
As at 31 December	Upside	Central	Downside
Scenrio probability weigting	1.96%	80.39%	17.65%

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed annually on the design of the scenarios by a panel of experts that advices the Bank senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instrument and using an analysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses. The key drivers for credit risk are inflation rates and monetary policy rates

c Maximum exposure to credit risk

The Bank's credit risk exposures relating to financial assets on-balance sheet assets subject to impairment are as follows:

<i>In thousands of naira</i>	Maximum exposure	
	2024	2023
<u>Financial assets:</u>		
Loans and advances	235,769,987	184,444,923
Other assets (receivables)	3,613,422	47,764
Due from banks (placements)	-	50,208
Cash and bank balances	163,971,286	110,014,212
Total Financial Assets at amortized cost	403,354,695	294,557,107

The Bank's credit risk exposures relating to on-balance sheet assets that are not subject to impairment are as follows:

<i>In thousands of naira</i>	Maximum exposure	
	2024	2023
<u>Financial assets:</u>		
Equity instruments at FVOCI	79,127,289	32,269,084
Total	79,127,289	32,269,084

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

d Credit risk concentration

IFRS 7 requires disclosures about concentrations of risk. Concentration of risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. This information has been provided along geographical areas and economic sectors.

e Geographical concentration of risks of financial assets with credit risk exposure

The following table breaks down the Bank's credit exposure (without taking into account any collateral held or other credit support), as categorised by geographical region as at the reporting date. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties.

	31 December 2024		
	Within Nigeria	Outside Nigeria	Total
<i>In thousands of naira</i>			
Financial assets:	-	-	-
Loans and advances	235,769,987	-	235,769,987
Other assets (receivables)	3,613,422	-	3,613,422
Due from banks (placements)	-	-	-
Cash and bank balances	160,631,731	3,339,555	163,971,286
	400,015,140	3,339,555	403,354,695
	31 December 2023		
	Within Nigeria	Outside Nigeria	Total
Financial assets:			
Loans and advances	184,444,923	-	184,444,923
Other assets (receivables)	47,764	-	47,764
Due from banks (placements)	50,208	-	50,208
Cash and bank balances	107,967,816	2,094,711	110,062,527
	292,486,492	2,094,711	294,605,422

5.3 Liquidity Risk

Liquidity risk is defined as the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Management of liquidity risk

The Directors sets the Bank's strategy for managing liquidity risk and oversight of the implementation Finance and General Purpose committee. The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. The key elements of the Bank's liquidity strategy are as follows:

- i) Carrying a portfolio of highly liquid assets, diversified by currency and maturity
- ii) Monitoring maturity mismatches, behavioral characteristics of the Bank's financial assets and financial liabilities, and the extent to which the Bank's assets are encumbered and so not available as potential collateral for obtaining funding.

Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both Bank specific events (e.g. rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fungibility of currencies, natural disasters or other catastrophes)

NOTES TO THE FINANCIAL STATEMENTS

Analysis of financial assets and liabilities by remaining contractual maturities.

The table below summarises the maturity profile of the undiscounted cash flows of the Bank's financial assets and liabilities as at 31 December 2024.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, The Bank expects that many customers will not request repayment on the earliest date. The Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

Contractual maturities of undiscounted cash flows of financial assets and liabilities:

As 31 December 2024	Expected Cash Flows					
	Carrying Amount	Gross nominal inflow/(outflow)	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years
Financial assets						
Cash in banks	10,035,901	10,035,901	10,035,901	-	-	-
Due from banks	-	-	-	-	-	-
Loans and advances	235,769,987	272,615,482	-	350,171	149,988,480	122,276,831
Other receivables	3,613,422	3,613,422		47,764		
Total undiscounted financial assets	249,419,310	286,264,805	10,035,901	397,935	149,988,480	122,276,831
Financial liabilities						
Debt securities and other borrowed funds	276,004,979	316,633,521	-	-	316,633,521	-
Other liabilities	17,241,332	17,241,332	-	165,997	17,241,332	-
Total undiscounted financial liabilities	293,246,311	333,874,853	-	165,997	333,874,853	-
Net undiscounted financial assets/(liabilities)	(43,827,001)	(47,610,048)	10,035,901	231,938	(183,886,373)	122,276,831
As 31 December 2023						
	Carrying Amount	Gross nominal inflow/(outflow)	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years
Financial assets						
Cash in banks	9,185,088	9,209,307	9,209,307	-	-	-
Due from banks	100,903,428	100,903,428	100,903,428	-	-	-
Loans and advances	184,444,923	184,444,923	-	254,152	104,906,811	79,283,960
Other receivables	47,764	47,764	-	47,764		
Total undiscounted financial assets	294,581,203	294,605,422	110,112,735	301,916	104,906,811	79,283,960
Financial liabilities						
Debt securities and other borrowed funds	197,583,685	197,583,685	-	-	197,583,685	-
Other liabilities	18,771,038	14,889,873	-	499,699	16,344,040	1,927,299
Total undiscounted financial liabilities	216,354,723	212,473,558	-	499,699	213,927,725	1,927,299
Net undiscounted financial assets/(liabilities)	78,226,480	82,131,864	110,112,735	(197,783)	(109,020,914)	77,356,661

NOTES TO THE FINANCIAL STATEMENTS

5.4 Market Risk

Market risk is the risk that changes in the market price - e.g interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of the of the Bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Bank's solvency while optimising the return on risk.

The Bank traded in the following financial instruments in the course of the year:

- Money market products

a Exposure to Interest Rate Risks – Non-Trading Portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest gaps and by having pre-approved limits by repricing bands. The Asset and Liability Committee (ALCO) is the body charged with monitoring exposures to interest rate risks and is assisted by the Risk Management.

The Bank also performs regular stress tests on its trading and non-trading portfolios. In performing this, the Bank ensures there are quantitative criteria in building the scenarios. The Bank determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses, on the Bank's liquidity. The key potential risks the Bank was exposed to from these instruments were price risk, basis risk and risk to net margins. However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above. Interest rate movements affect reported equity in the following ways:

- Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.
- Fair value reserves arising from changes in the fair value of available-for-sale financial instruments reported directly in other comprehensive income.

The tables below summarises the Bank's interest rate gap position on all portfolios as the Bank does not have any variable interest bearing financial assets and liabilities:

31 December 2024	Contractual cash flows					
	Carrying amount	Gross nominal inflow/(outflow)	Up to 3 months	3-6 months	6 months - 1 year	Over 1 year
<u>Financial assets:</u>						
Cash in banks	10,035,901	10,035,901	10,035,901	-		-
Due from banks	-	-	-	-		
Loans and advances	235,769,987	272,615,482			350,171	272,265,311
Other receivables	3,613,422	3,613,422	-		47,764	-
<u>Investment securities:</u>						
- Fair value through OCI	79,127,289	79,127,289	-	79,127,289		-
	<u>328,546,599</u>	<u>365,392,094</u>	<u>10,035,901</u>	<u>79,127,289</u>	<u>397,935</u>	<u>272,265,311</u>
<u>Financial liabilities:</u>						
Debt securities issued and other borrowed	276,004,979	316,633,521	-	-	-	316,633,521
Other liabilities	17,241,332	17,241,332	-	-	165,997	17,241,332
	<u>293,246,311</u>	<u>333,874,853</u>	<u>-</u>	<u>-</u>	<u>165,997</u>	<u>333,874,853</u>
Interest rate gap position	<u>35,300,288</u>	<u>31,517,241</u>	<u>10,035,901</u>	<u>79,127,289</u>	<u>231,938</u>	<u>(61,609,542)</u>

31 December 2023	Contractual cash flows					
	Carrying amount	Gross nominal inflow/(outflow)	Up to 3 months	3-6 months	6 months - 1 year	Over 1 year
<u>Financial assets:</u>						
Cash in banks	9,185,088	9,209,307	9,209,307	-		-
Due from banks	97,098,064	100,903,428	100,903,428	-		
Loans and advances	155,826,926	184,444,923			254,152	184,190,771
Other receivables	47,764	47,764	-		47,764	-
<u>Investment securities:</u>						
- Fair value through OCI	24,880,580	24,880,580	-	24,880,580		-
	<u>287,038,422</u>	<u>319,486,002</u>	<u>110,112,735</u>	<u>24,880,580</u>	<u>301,916</u>	<u>184,190,771</u>
<u>Financial liabilities:</u>						
Debt securities issued and other borrowed	197,583,685.00	197,583,685	-	-	-	197,583,685
Other liabilities	18,771,038	14,889,873	-	-	499,699	18,271,339
	<u>216,354,723</u>	<u>212,473,558</u>	<u>-</u>	<u>-</u>	<u>499,699</u>	<u>215,855,024</u>
Interest rate gap position	<u>70,683,699</u>	<u>107,012,444</u>	<u>110,112,735</u>	<u>24,880,580</u>	<u>(197,783)</u>	<u>(31,664,253)</u>

NOTES TO THE FINANCIAL STATEMENTS

6a Use of estimates and judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 5.2(b)(i): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

- Notes 4.7: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Notes 5.2(b)(i): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

- Note 30: recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

These disclosures supplement the commentary on financial risk management (see note 5).

Key sources of estimation uncertainty

(a)i Impairment of financial assets

IFRS 9 impairment requirements are based on an expected credit loss model (ECL). Key changes in the Bank's accounting policies for impairment of financial assets are listed below.

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost, FVOCI, loan commitment and financial guarantee contracts. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

(a)ii Measurement of fair values

A number of the Bank's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Bank regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Bank assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

The Bank's accounting policy on fair value measurement is discussed in Note 4.7(f).

NOTES TO THE FINANCIAL STATEMENTS

Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

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

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy.

<i>In thousands of naira</i>	Level 1	Level 2	Level 3	Total
31 December 2024				
ASSETS				
Equity investment (see note 19)	2,838,327	76,288,962	-	79,127,289
Total	2,838,327	76,288,962	-	79,127,289
<i>In thousands of naira</i>	Level 1	Level 2	Level 3	Total
31 December 2023				
ASSETS				
Equity investment (see note 19)	2,273,984	29,995,100	-	32,269,084
Total	2,273,984	29,995,100	-	32,269,084

6b Classification of financial assets and liabilities

The Bank's financial instruments are categorised as stated below:

	Financial Assets		
31-Dec-24	FVTPL	FVOCI	Amortised cost
<i>In thousands of naira</i>	N'000	N'000	N'000
Cash and bank balances	-	-	159,977,030
Due from banks	-	-	-
Loans and advances to customers	-	-	205,038,995
Equity instruments at FVOCI	-	79,127,289	-
Other assets	-	-	4,674,810
	Financial Liabilities		
31-Dec-24	FVTPL	FVOCI	Amortised cost
<i>In thousands of naira</i>	N'000	N'000	N'000
Debt securities issued and other borrowed funds	-	-	276,004,979
Other liabilities	-	-	17,407,329
	Financial Assets		
31-Dec-23	FVTPL	FVOCI	Amortised cost
<i>In thousands of naira</i>	N'000	N'000	N'000
Cash and bank balances	-	-	9,206,600
Due from banks	-	-	97,098,064
Loans and advances to customers	-	-	155,826,925
Equity instruments at FVOCI	-	32,269,084	-
Other assets	-	-	860,138
	Financial Liabilities		
31-Dec-23	FVTPL	FVOCI	Amortised cost
<i>In thousands of naira</i>	N'000	N'000	N'000
Debt securities issued and other borrowed funds	-	-	197,583,685
Other liabilities	-	-	16,843,739

NOTES TO THE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

	Notes	31 December 2024	31 December 2023
7 Interest income calculated using the effective interest method			
Loans and advances to customers		15,103,103	12,990,476
Cash and short term funds		10,770,847	6,585,943
Loans and advances to staff		245,810	147,294
		26,119,760	19,723,713
8 Interest expense			
CBN/EDF/Refinancing - Interest		3,290,477	3,184,168
8% CBN Perpetual Debenture		73,676	73,676
FGN Export Stimulation loan		62,270	62,270
Loan from ADB/FGN/CBN		17,381	17,381
CBN Non-oil Export Stimulation Loan (NESF)		42,348	99,900
		3,486,152	3,437,395
(i) The amount reported above is calculated using the effective interest method, and relates to borrowings measured at amortised costs			
9 Impairment on financial assets			
Impairment charge / (write-back) on risk assets			
Net impairment charge on loans and advances	18.1	2,836,580	4,043,068
Net impairment (writeback)/charge on placement with banks	17.1	(1,893)	235,586
Net impairment charge on cash balances	16.1	188,078	3,448,503
Impairment charge on other receivables	20.1	10,744	32,359
		3,033,509	7,759,516
		31 December 2024	31 December 2023
10 Fees and commission income			
Application fees		12,520	5,890
		12,520	5,890
11 Other operating income			
Net trading foreign exchange gain (See (a) below)		14,874,734	10,293,755
Dividend income		3,227,024	1,008,701
Recoveries		255,768	247,631
Operating lease income		75,986	46,472
Gain/(loss) from disposal of PPE		7,870	(76,205)
Other fees		4,052	6,743
Income from grant for export promotion (See note (i) below)		6,544,535	3,551,730
		24,989,969	15,078,827
(i) Amount relates to grants from Ministry of Finance for expenses incurred on export promotion by the Bank			
(a) Net trading foreign exchange gain		31 December 2024	31 December 2023
Exchange loss on borrowings		(37,889,101)	(22,280,500)
Exchange gain on placements and Loans		52,763,835	32,574,255
		14,874,734	10,293,755

NOTES TO THE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

		31 December 2024	31 December 2023
12 Other operating expenses			
Administrative expenses	12.1	3,025,602	2,291,206
Directors' emoluments		132,695	162,544
Professional fees		748,553	405,508
Staff Travel Expense		3,676,470	79,588
Auditors' remuneration	12.2	40,342	27,771
Staff relocation		6,759	14,833
Short term lease expenses		8,315	5,672
Finance cost on Lease Liabilities		16,466	15,103
Advertising and marketing		1,806,193	2,858,515
Staff training		16,500	-
Other operating expenses	12.3	1,393	58,903
Donations		-	4,630
Bad debt write off		238	111,898
		9,479,526	6,036,171

12.1 Administrative expenses is mainly comprised of expenses incurred on repairs & maintenance, rates, telephone & internet billing, power, insurance, & security.

12.2 There was no non-audit service fee earned by the auditor during the year. The Bank obtained a waiver on 3 March 2025 for the assessment and reporting of Internal Control Over Financial Reporting for the year ended 31 December 2024.

12.3 Other expenses comprises of expenses incurred on staff uniform and T-shirts provided for staff.

13 Personnel expenses

	2024	2023
Wages and salaries	3,824,453	3,509,096
Net interest on defined benefit plan (See note 26.2)	(200,824)	126,171
Pension costs- Defined contribution plan	477,117	374,446
Other employee cost	29,000	28,373
	4,129,746	4,038,086

14 Taxation

The Bank is exempted from Company income tax in accordance with Section 14(1)(c) of the Nigerian Export-Import Bank Act 1991.

15 Earnings per share

(a) Basic

Basic/diluted earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary share outstanding at the reporting date.

The following reflects the profit and share data used in the basic/diluted earnings per share computations:

	2024	2023
Profit attributable to equity holders	30,471,507	13,175,854
Weighted average number of ordinary shares in issue (in '000s)	50,000,000	50,000,000
Basic earnings per share (expressed in Kobo per share)	60.94	26.35

(b) Diluted

The Bank does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders of the parent (31 December 2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
16 Cash and bank balances		
Cash on hand	5,994	24,219
Cash at bank	10,035,901	9,185,088
Placements (See 17 (a))	153,929,391	100,853,220
	163,971,286	110,062,527
Allowance for impairment on cash in bank	(3,994,256)	(3,806,179)
Cash and bank balances	159,977,030	106,256,348
Movement in impairment allowance		
1 January	(3,806,179)	(357,675)
Impairment writeback/(charge) (See note 9)	(188,077)	(3,448,503)
31 December	(3,994,256)	(3,806,179)

16.1 Impairment allowance for cash in banks and placements

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	Individual	Individual		
	N'000	N'000	N'000	N'000
Performing	163,965,292	-	-	163,965,292
Non-performing	-	-	-	-
Total	163,965,292	-	-	163,965,292

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	Individual	Individual		
	N'000	N'000	N'000	N'000
Performing	108,865,635	-	-	108,865,635
Non-performing	-	-	1,172,673	1,172,673
Total	108,865,635	-	1,172,673.00	110,038,308

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

Gross carrying amount	31 December 2024			
In thousands of naira	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
Gross carrying amount as at 1 January 2024	108,865,635	-	-	108,865,635
New assets purchased or originated	56,344,279	-	-	56,344,279
Payments and assets derecognized or matured (excluding write offs)	(1,244,622.00)	-	-	(1,244,622)
Transfer from Due from banks (See note 17)	-	-	-	-
At 31 December 2024	163,965,292	-	-	163,965,292

Expected Credit Loss (ECL)	31 December 2024			
In thousands of naira	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
ECLs as at 1 January 2024	423,396	-	-	423,396
New assets purchased or originated	3,570,860	-	-	3,570,860
Transfer from Due from banks (See note 17)	-	-	-	-
At 31 December 2024	3,994,256	-	-	3,994,256

NOTES TO THE FINANCIAL STATEMENTS

Gross carrying amount	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
Gross carrying amount as at 1 January 2023	12,656,538	-	-	12,656,538
New assets purchased or originated	-	-	-	-
Payments and assets derecognized or matured (excluding write offs)	(3,471,450)	-	-	(3,471,450)
Transfer from Due from banks (See note 17)	99,680,547	-	1,172,673	100,853,220
At 31 December 2023	108,865,635	-	1,172,673	110,038,308

Expected Credit Loss (ECL)	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
ECLs as at 1 January 2023	2,379	-	-	2,379
New assets purchased or originated	328	-	-	328.00
Transfer from Due from banks (See note 17)	420,688.79	-	3,382,781.83	3,803,470.61
At 31 December 2023	423,396	-	3,382,782	3,806,179

17 Due from banks

	2024	2023
	N'000	N'000
Placements with other banks (See (a) below)	-	50,208
Allowance for impairment	-	(1,893)
	-	48,315
Movement in impairment allowance		
1 January	(1,893)	233,693
Impairment writeback/(charge) (See note 9)	1,893	(235,586)
31 December	-	(1,893)

- (a) Placement with banks having tenor lower than 91 days presented under due from banks in the prior year were properly reclassified to cash and cash equivalent.

Year end due from banks relate to placement with other bank with tenor greater than 90 days.

17.1 Impairment allowance for Placements with banks

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	Individual	Individual		
<i>In thousands of naira</i>	N'000	N'000	N'000	N'000
Performing	-	-	-	-
Non-performing	-	-	-	-
Total	-	-	-	-

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade	Individual	Individual		
<i>In thousands of naira</i>	N'000	N'000	N'000	N'000
Performing	-	-	-	-
Non-performing	-	-	50,208	50,208
Total	-	-	50,208	50,208

NOTES TO THE FINANCIAL STATEMENTS

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

Gross carrying amount	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
Gross carrying amount as at 1 January 2024	-	-	50,208	50,208
New assets purchased or originated	-	-	-	-
Payments and assets derecognized or matured (excluding write offs)	-	-	(50,208)	(50,208)
Transfer to cash and cash equivalent (See note 16)	-	-	-	-
At 31 December 2024	-	-	-	-

Expected Credit Loss (ECL)	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
ECLs as at 1 January 2024	-	-	1,893	1,893
New assets purchased or originated	-	-	-	-
Payments and assets derecognized or matured (excluding write offs)	-	-	(1,893)	(1,893)
Transfer to cash and cash equivalent (See note 16)	-	-	-	-
At 31 December 2024	-	-	-	-

Gross carrying amount	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
Gross carrying amount as at 1 January 2023	64,003,733	-	1,222,881	65,226,614
New assets purchased or originated	52,666,399	-	-	52,666,399
Payments and assets derecognized or matured (excluding write offs)	(16,989,585)	-	-	(16,989,585)
Transfer to cash and cash equivalent (See note 16)	(99,680,547)	-	(1,172,673)	(100,853,220)
At 31 December 2023	-	-	50,208	50,208

Expected Credit Loss (ECL)	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
ECLs as at 1 January 2023	35,767	-	199,819	235,586
New assets purchased or originated	-	-	-	-
Payments and assets derecognized or matured (excluding write offs)	384,922	-	3,184,856	3,569,778
Transfer to cash and cash equivalent (See note 16)	(420,689)	-	(3,382,782)	(3,803,471)
At 31 December 2023	-	-	1,893	1,893

18 Loans and advances

	2024	2023
	N'000	N'000
Loans to customers:		
-Medium-term direct lending	85,431,336	79,283,960
-Short-term direct lending	149,988,480	104,906,811
Loans to staff	350,171	254,152
	235,769,987	184,444,923
Less: Allowance for impairment	(30,730,992)	(28,617,998)
	205,038,995	155,826,925
Movement in impairment allowance		
1 January	(28,617,998)	(24,574,930)
Impairment writeback/(charge) (See note 9)	(2,836,580)	(4,043,068)
31 December	(30,730,992)	(28,617,998)

NOTES TO THE FINANCIAL STATEMENTS

31 December

31 December

18.1 Impairment allowance for loans and advances

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Internal rating grade	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual N'000	Individual N'000	N'000	N'000
Performing				
High grade	190,355,871	-	-	190,355,871
Standard grade	14,939,381	-	-	14,939,381
Past due but not impaired	-	-	-	-
Non-performing				
Sub-standard grade	-	4,660,196	-	4,660,196
Individually impaired	-	-	25,814,539	25,814,539
Total	205,295,252	4,660,196	25,814,539	235,769,987

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Loans and advances is, as follows:

Gross carrying amount	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual In thousands of naira	Individual In thousands of naira		
Gross carrying amount as at 1 January 2024	119,043,533	11,550,021	53,851,369	184,444,923
New assets purchased or originated	59,039,064			59,039,064
Payments and assets derecognized or matured (excluding write offs)	(7,714,000)			(7,714,000)
Transfer from Stage 1	(28,366,152)	5,252,207	23,113,945	-
At 31 December 2024	142,002,445	16,802,228	76,965,314	235,769,987

Expected Credit Loss (ECL)	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	Individual In thousands of naira	Individual In thousands of naira		
ECLs as at 1 January 2024	6,361,103	1,956,856	20,300,039	28,617,998
New assets purchased or originated	4,101,762	918,522	499,842	5,520,126
Payments and assets derecognized or matured (excluding write offs)	-	(1,469,096)	(1,214,450)	(2,683,546)
Transfer from Stage 1	-	-	-	-
Credit impairment charge (see note 9)	4,101,762	(550,574)	(714,608)	2,836,580
At 31 December 2024	9,739,279	1,406,282	19,585,431	30,730,992

Internal rating grade	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	Individual N'000	Individual N'000	N'000	N'000
Performing				
High grade	78,178,204	-	-	78,178,204
Standard grade	6,696,704	-	-	6,696,704
Sub-standard grade	-	55,653,432	-	55,653,432
Past due but not impaired	-	-	-	-
Non-performing	-	-	4,380,207.48	4,380,207
Individually impaired	-	-	39,536,376	39,536,376
Total	6,696,704	55,653,432	43,916,583	184,444,923

NOTES TO THE FINANCIAL STATEMENTS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Loans and advances is, as follows:

Gross carrying amount	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
Gross carrying amount as at 1 January 2023	95,941,931	9,701,011	64,548,421	170,191,363
New assets purchased or originated	95,028,562	-	-	95,028,562
Payments and assets derecognized or matured (excluding write offs)	-	(2,841,714)	(77,933,288)	(80,775,002)
Transfer from Stage 1	(71,926,960)	4,690,724	67,236,236	-
At 31 December 2023	119,043,533	11,550,021	53,851,369	184,444,923

Expected Credit Loss (ECL)	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
In thousands of naira	Individual	Individual		
ECLs as at 1 January 2023	3,856,263	-	20,718,667	24,574,930
New assets purchased or originated	2,504,840	1,018,712	1,499,842	5,023,394
Payments and assets derecognized or matured (excluding write offs)	0	938,144	(1,918,470)	(980,326)
Transfer to Stage 1	-	-	-	-
Credit impairment charge (See note 9)	2,504,840	1,956,856	(418,628)	4,043,068
At 31 December 2023	6,361,103	1,956,856	20,300,039	28,617,998

19 Investment securities

19.1 Equity instruments at FVOCI

		2024	2023
		N'000	N'000
Quoted investment:	a		
Guarantee Fund Investment		2,613,127	2,048,784
Non-career Pension Investment		225,200	225,200
		2,838,327	2,273,984
Unquoted investments:	b		
Afrexim Bank		76,203,000	29,916,100
ABREC		85,962	79,000
		76,288,962	29,995,100
Total Equity instruments at FVOCI		79,127,289	32,269,084
Movement in equity instruments at FVOCI		2024	2023
		N'000	N'000
Balance at 1 January		32,269,084	6,572,584
Additions for the year		2,966,846	1,124,626
Fair value gain		43,891,359	24,571,874
Balance at 31 December		79,127,289	32,269,084

a

Guarantee fund investments: The fund investment consists of a money market fund and a coral fund warehoused with Stanbic IBTC Asset management and FSDH Asset management respectively. The funds are recognized at fair value through other comprehensive income.

Non-career pension investment: The Bank invested N180m in 2007 in a portfolio warehoused with Stanbic IBTC Asset Management. The initial objective of the portfolio was to invest the severance benefit of the Non-Executive directors who have a stipulated tenor of 5 years. The initial objective was to liquidate the portfolio after every 5 years, however since inception the initial objective of the portfolio has changed as the Bank has never liquidated the investment. The Bank does not intend to sell the equity investments, however they intend to keep growing and managing the portfolio with the help of their fund managers.

b Unquoted Equities: The Bank has equity investments in African Export Import Bank and African Biofuel and Renewable Energy Company. The Bank has a hundred shares (100) in ABREC and one-thousand eight hundred and fifty -seven (1,857) in AFREIM.

NOTES TO THE FINANCIAL STATEMENTS

		31 December	31 December
		2024	2023
		N'000	N'000
20 Other assets			
Prepayments		1,093,677	833,919
Other receivables		3,613,422	47,764
		4,707,099	881,683
Less: Allowance for impairment on other receivables	20.1	(32,289)	(21,545)
		4,674,810	860,138

20.1 Impairment losses on other receivables subject to impairment assessment

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	31 December 2024			
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'000	N'000	N'000	N'000
Performing	3,613,422	-	-	3,613,422
Total	3,613,422	-	-	3,613,422

	31 December 2023			
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	N'000	N'000	N'000	N'000
Performing	47,764	-	-	47,764
Total	47,764	-	-	47,764

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

Gross carrying amount

In thousands of naira	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Gross carrying amount as at 1 January 2024	47,764	-	-	47,764
New assets purchased or originated	4,771,325	-	-	4,771,325
Payments and assets derecognized or matured (excluding write offs)	(1,205,667)	-	-	(1,205,667)
Transfer to Stage 3	-	-	-	-
At 31 December 2024	3,613,422	-	-	3,613,422

Gross carrying amount

In thousands of naira	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Gross carrying amount as at 1 January 2023	38,259	-	-	38,259
New assets purchased or originated	68	-	-	68
Payments and assets derecognized or matured	(32,682)	-	42,119	9,437
Transfer to Stage 3	42,119	-	(42,119)	-
At 31 December 2023	47,764	-	-	47,764

Movement in impairment allowance

1 January

Impairment charge (See note 9)

31 December

	2024	2023
	N'000	N'000
	(21,545)	(53,904)
	(10,744)	(32,359)
	(32,289)	(21,545)

NOTES TO THE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

21 Property and equipment

	Land	Building	Plant	Furnitures and Fitting	Computer Equipment	Motor Vehicles	Work In Progress	Total
Cost								
At 1 January 2024	1,688	3,239,113	39,084	1,386,230	723,477	310,921	105,765	5,806,278
Addition during the year	-	-	-	228,517	75,125	174,688	-	478,330
Reclassification	-	105,765	-	-	-	-	(105,765)	-
Disposals during the year	-	-	-	(14,136)	(6,360)	(23,645)	-	(44,141)
Written off	-	-	(837)	-	-	-	-	-
At 31 December 2024	1,688	3,344,878	38,247	1,600,611	792,242	461,964	-	6,239,630
Accumulated depreciation								
At 1 January 2024	-	925,044	29,043	1,109,816	595,206	185,584	-	2,844,693
Charge for the year	-	62,672	4,202	100,780	57,234	170,287	-	395,175
Disposals during the year	-	-	-	(14,128)	(5,367)	(23,645)	-	(43,140)
At 31 December 2024	-	987,716	33,245	1,196,468	647,073	332,226	-	3,196,728
Net book value								
At 1 January 2024	1,688	2,314,069	10,041	276,414	128,271	125,337	105,765	2,961,585
At 31 December 2024	1,688	2,357,162	5,002	404,143	145,169	129,738	-	3,042,902
2023								
Cost								
At 1 January 2023	1,688	3,224,495	43,520	1,289,476	621,775	527,889	6,828	5,715,671
Additions during the year	-	14,618	-	85,727	102,401	710	159,609	363,065
Reclassification	-	-	-	60,672	-	-	(60,672)	-
Disposals during the year	-	-	(4,436)	(49,645)	(699)	(217,678)	-	(272,458)
At 31 December 2023	1,688	3,239,113	39,084	1,386,230	723,477	310,921	105,765	5,806,277
Accumulated depreciation								
At 1 January 2023	-	860,301	29,273	1,051,328	553,475	228,404	-	2,722,781
Charge for the year	-	64,743	4,202	58,488	41,906	90,441	-	259,780
Disposals during the year	-	-	(4,432)	-	(175)	(133,261)	-	(137,868)
At 31 December 2023	-	925,044	29,043	1,109,816	595,206	185,584	-	2,844,693
Net book value								
At 1 January 2023	1,688	2,364,194	14,247	238,148	68,300	299,485	6,828	2,992,889
At 31 December 2023	1,688	2,314,069	10,041	276,414	128,271	125,337	105,765	2,961,585

There were no contractual commitments for the acquisition of property and equipment as at 31 December 2024 (December 2023: Nil). There were no liens or encumbrances on any of the property and equipment during the year (December 2023: Nil). The Capital work in progress relates to the value of renovation of the head office building in Abuja. The renovation was completed during the year and was reclassified to building category.

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 2023: Nil).

All classes of property and equipment are non-current.

NOTES TO THE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

	Computer Software	Total
22 Intangible assets		
2024		
Cost		
At 1 January 2024	430,489	430,489
Additions for the year	16,427	16,427
Disposals	(148,590)	(148,590)
At 31 December 2024	298,326	298,326
Amortisation		
At 1 January 2024	289,719	289,719
Charge for Year	70,861	70,861
Disposals	(188,816)	(188,816)
At 31 December 2024	171,764	171,764
Net book value - 1 January 2024	140,770	140,770
Net book value - 31 December 2024	126,562	126,562
2023		
Cost		
At 1 January 2023	410,277	410,277
Additions for the year	35,338	35,338
Disposals	(15,126)	(15,126)
At 31 December 2023	430,489	430,489
Amortisation		
At 1 January 2023	242,004	242,004
Charge for Year	62,841	62,841
Write-offs	(15,126)	(15,126)
At 31 December 2023	289,719	289,719
Net book value - 1 January 2023	168,273	168,273
Net book value - 31 December 2023	140,770	140,770

The intangible assets represent computer software which was purchased from third parties. There were no capitalised borrowing costs related to the acquisition of software during the year (December 2023: nil).

23 Right of use assets

The Bank has lease contracts for rented properties (land and building) with lease terms above 2 years. Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	2024	2023
Cost		
As at 1 January	241,180	117,594
Additions	8,992	104,101
Disposals	(11,999)	-
As at 31 December	238,173	241,180
Depreciation		
As at 1 January	119,801	61,529
Depreciation for the year	55,773	38,787
Disposals	(9,692)	-
As at 31 December	165,882	119,801
Carrying amount as at 31 December	72,291	121,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Debt securities issued and other borrowed funds

		2024	2023
		N'000	N'000
Export Stimulation loan	24.1	7,096,034	7,033,764
Loan from ADB/FGN	24.2	503,502	486,121
6% CBN Perpetual Debenture	24.3	1,244,198	1,244,031
Export Development loan	24.4	139,472,274	140,168,551
Loan from NESF/FGN/CBN	24.5	1,759,909	2,690,955
Loan from NCDMB	24.6	125,929,062	45,960,263
		276,004,979	197,583,685
Current		10,603,643	11,454,871
Non-current		265,401,336	186,128,814
		276,004,979	197,583,685

Movements in debt securities issued and other borrowed funds

At beginning of the year	197,583,685	175,444,671
Additions	46,074,600	-
Principal repayment	(7,578,872)	(693,743)
Interest accrued	3,523,236	3,437,395
Interest paid	(1,486,771)	(2,885,138)
Foreign exchange loss on NCDMB Fund Revaluation	37,889,101	22,280,500
At the end of the year	276,004,979	197,583,685

- 24.1** This relates to a loan granted to the Bank by the Ministry of Finance Incorporated at an annual interest rate of 1% in 2011 and repayment should be N1 billion per year after the expiration of the 5 year tenure of the loan. This loan is in default as there has been no repayment of the loan since inception of the facility. The Bank is currently engaging with Ministry of Finance for restructuring the repayment terms of the loan.
- 24.2** This relates to a loan initially obtained from African Development Bank (AfDB) under AfDB Export Stimulation loan being managed on behalf of the Federal Government of Nigeria ("FGN"). However, the loan has been fully paid by the FGN, therefore the balance on the account becomes payable to FGN by the Bank. The Bank accrues for the interest at the rate of 9% per annum as time value of money in respect of the balance until it is repaid.
- 24.3** This represents amount taken over by NEXIM Bank at its inception in 1991 from the Central Bank of Nigeria (CBN) on the export credit Rediscounting and Refinancing Facility (RRF) Scheme extended to exporters through participating banks. The amount involved is both the debt instruments and bank balances which got transferred to NEXIM Bank by the CBN. The seed fund was called CBN Perpetual Debenture with a coupon rate of 8% which was subsequently reduced to 6% per annum. The interest is payable quarterly while the principal sum is repayable to CBN on demand. Modification gains/losses were computed and considered immaterial.
- 24.4** During 2018, the Central Bank of Nigeria granted a 50 billion Naira debenture with 2% coupon rate for 15 years to the Bank. This facility is to be disbursed to qualified export oriented enterprises which are duly registered or incorporated in Nigeria and have satisfactory credit report format in at least two credit banks. The loan facility shall be used for acquisition of plant and machinery for development of plantation for non-oil export business and working capital of non-oil export. The interest is due on quarterly basis on the aggregate principal amount of the facility. CBN granted NEXIM bank a reduction in interest rate to 1% as a COVID-19 palliative between 1 March 2020 and 28 February 2021. This interest rate has been agreed between CBN and NEXIM to continue to the interest rate on the loan until its maturity.

An additional facility was granted by Central Bank of Nigeria in 2020 for 15 years. The interest rate is 1% in 2020.

The Bank has not had any repayment defaults of principal, interest or other breaches with regard to this obligation during 2024

24.5 During 2021, The Non-Oil Export Stimulation Facility (NESF), which was introduced by the Central Bank of Nigeria to diversify the revenue base of the economy and to expedite the growth and development of the non-oil export sector. The facility was created to help redress the declining export financing and reposition the sector to increase its contribution to economic development. Eligible borrowers/beneficiaries are required to apply through the designated PFIs (Participating Financial Institution), which are mainly the i. Deposit Money Banks (DMBs) and ii. The Development Finance Institution (DFIs). PFIs are required to submit application to CBN on behalf of its customers in the prescribed format, and in case of loan syndication, the lead bank shall submit application on behalf of other banks. The term loans under the facility shall not exceed 70% of verifiable total cost of the project subject to a maximum of N5 billion, for a tenor of up to 10 years and shall not exceed the 31st December, 2027. Working capital/stocking facility shall be for one year with the option of roll-over once subject to the approval of CBN. The facility shall be granted at an all-inclusive interest rate of 9% per annum, after a moratorium of 1 year.

The repayments of principal and interest shall be quarterly and in accordance with the agreed repayment schedule. On CBN circular memo to all banks- FPR/DIR/PUB/CIR/01/001 dated 3 March 2021, Central bank of Nigeria reduced the interest rates on the CBN intervention facilities from 9% to 5% per annum for one year effective March 1, 2020 as part of measures to mitigate the negative impact of Covid-19 pandemic on the Nigerian economy, and extended the facilities by another twelve (12) months to February 28, 2022. This has been rolled over yearly until February 28, 2025 with interest rate reversing to 9%

24.6 During 2021, Nigeria Content Development and Monitoring Board (NCDMB) entered into a fund management agreement with NEXIM bank to disbursement and managed an intervention fund created by the agency (NCDMB). The fund is categorised into two disbursement of USD\$30 million & USD\$20 million, totaling USD50 million. (a) USD30 million NCDMB Fund- The intervention fund is created for the purpose of providing working capital and capacity building loan to eligible beneficiaries within the parameters specified in the loan agreement for this facility, to finance Nigerian oil service providers in the Nigerian oil and gas industry. The loan eligibility criteria and authority to approve and reject any proposal is vested in NEXIM with concurrence from NCDMB. The maximum single obligor threshold is USD\$1,000,000 or equivalent in naira at the official exchange rate subsisting on the day of disbursement unless otherwise reviewed in writing by NCDMB.(b) USD20 million NCDMB Fund- The intervention fund is created for entity which is owned by women who are either entrepreneurs in the Oil and Gas industry holding majority shareholding (51%) in the obligor-company or part of Management whereby a minimum of 50% are women and has been granted a loan facility under this Agreement to carry out services connected to the Nigeria Oil and Gas Industry, including manufacturing activities, contract execution etc. The loan eligibility criteria and authority to approve and reject any proposal is vested in NEXIM with concurrence from NCDMB. The maximum single obligor threshold is USD\$500,000 or equivalent in naira at the official exchange rate subsisting on the day of disbursement unless otherwise reviewed in writing by NCDMB. The interest shall be payable on the disbursed portion of the loan at the rate of 5% per annum for USD facility and 8% on naira facility and the rate shall remain fixed throughout the tenor of the facility unless otherwise advised by NCDMB.

The agreement is for a 3-years period, renewable at the instance of both parties. The Bank has kept to the terms of the agreement as at 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS

25 Other liabilities

		2024	2023
		N'000	N'000
Other financial liabilities			
Accrued expenses		2,123,117	1,217,457
Accounts payable and sundry creditors		872,443	248,178
Customers Settlement Account	25.1	694,521	604,691
Export Simulation Loans Payable	25.2	2,502,413	2,502,413
Due to ECOWAS	25.3	522,557	412,205
Project Monitoring Expenses	25.4	96,171	96,171
Transformation grant	25.5	10,217	10,217
Ministry of Finance Incorporated-Political Risk/Guarantee Fund	25.6	8,923,843	7,213,123
Lease liability		122,798	109,339
Deposit For Export Promotion Fund	25.7	1,373,252	3,930,247
		17,241,332	16,344,040
Non-financial Liabilities			
Post-employment pension (defined contribution plans)		165,997	499,699
		17,407,329	16,843,739

- 25.1** This account warehouses inflows for settlements of loans and advances to customers which have not been credited to the individual loan accounts as at end of the year due to insufficient information and on-going reconciliations
- 25.2** This balance relates to inflow from Ministry of Finance aimed at covering the expenses relating to Export stimulation loans and is to be refunded by the Bank.
- 25.3** This balance relates to funds payable to ECOWAS for the facilitation and promotion of exportation between Nigeria and other ECOWAS Communities under the ECOWAS Inter-State Road Transit Programme (ECOWAS ISRT)
- 25.4** This balance relates to inflow from Ministry of Finance aimed at covering the expenses relating to Monitoring of exportations and is to be refunded by the Bank.
- 25.5** Transformation grant is the outstanding balance of the funds given to the Bank by the Federal Government to rebrand the Bank as part of the Bank's corporate transformation.
- 25.6** This balance relates to the outstanding balance from 70% of the 7% import duty surcharge remitted by the Federal Ministry of Finance to the Bank to facilitate the promotion and awareness of export activities. The surcharge is from the Bank's activities geared towards facilitating insurance for its customers. It is non-interest bearing
- 25.7** This balance relates to 30% of the 7% import duty surcharge remitted by the Federal Ministry of Finance to the Bank to facilitate the provision of export credit insurance on political risk component of country risk and non-funded facilities by way of provision of guarantee instruments. The surcharge is from the Bank's activities geared towards facilitating insurance for its customers. It is non-interest bearing

26 Employee benefit obligations

Retiree Fund

The Retiree fund consists of the old NEXIM pension scheme before the introduction of the defined contribution scheme by the federal government of Nigeria. A fund is set aside by NEXIM to compensate retirees after retirement. The fund is usually managed by a board of trustees within the bank before it was ceded to Pension Fund Custodians (PFCs) to manage. Operations of the fund are still being overseen by the Bank's Board of Trustees. The plan's assets are held separately from those of the Bank in a fund under the control of trustees. Retirees under this plan are the active staff of the bank before the introduction of the defined contribution plan who voluntarily decided not to transfer to the contributory scheme.

The Bank has engaged the services of Zamara actuaries (FRC/2019/00000012910) in the actuarial valuation of the Retiree Fund in line with the requirements of IAS 19.

NOTES TO THE FINANCIAL STATEMENTS

Gratuity Plan

The Gratuity plan defines an amount of gratuity benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary.

For exexecutive directors, they are entitled to 3.5 times of their annual base pay and 30% base pay for target performance to be paid at the expiration of each five (5) year tenor irrespective renewal or otherwise.

A full actuarial valuation by a qualified independent actuary is carried out every year. The Bank has engaged the services of Zamara actuaries (FRC/2019/00000012910) in the actuarial valuation of the Gratuity Plan in line with the requirements of IAS 19.

The plan liability is measured on an actuarial basis using the projected unit credit method, adjusted for actuarial gains and losses. The defined benefit plan liability is discounted using rates equivalent to the market yields at the reporting date of government bonds that are denominated in the currency in which benefits will be paid, and that have a maturity approximating to the terms of the related pension liability.

The Bank's planned assets are warehoused with Premium pensions, Access pensions and Trustfund pensions. The gratuity plan is warehoused majorly with premium pensions and trustfund pensions.

The Bank's gratuity plan is payable to retiring staff who have put in a minimum of 5 years in service at the Bank. The amount shall progress by 8% per annum for each completed year of service after the first five years, and up to a maximum of 340% for 35 years of service. Staff who have not put in up to 5 years of service but have put in a minimum of three (3) years are entitled to payment of gratuity based on 50% of their annual basic salary and allowance.

For executive directors, they are entitled to a severance allowance after the expiration of each five (5) year tenor. In 2022, the current executive directors completed their five (5) year tenor and were paid a sum of N1.88bn as severance allowance. See note (b) below for details.

26.1 Net employee defined benefit assets

In thousands of naira	2024	2023
Defined benefit pension plan (See note (a) below)	5,816,912	464,470
Gratuity plan (See note (a) below)	-	4,317,159
Defined benefit obligation	(1,808,216)	(1,927,299)
	4,008,696	2,854,330

(a) In thousands of naira

	Defined Benefit Pension Plan		Gratuity Plan	
	2024	2023	2024	2023
Defined benefit obligations	(481,994)	(542,227)	(1,326,222)	(1,385,070)
Fair value of plan assets	5,816,912	464,470	-	4,317,159
Retirement benefit assets/(liabilities)	5,334,918	(77,757)	(1,326,222)	2,932,089

(b) Payments From Defined Benefit Obligation

	Balance before payments	Payments	Balance after payments
<i>In thousands of naira</i>			
Defined Benefits Pension Plan	(542,227)	78,939	(481,994)
Gratuity Plan	(1,385,070)	233,773	(1,326,222)
	(1,927,297)	312,712	(1,808,216)

During the year the Bank made gratuity payments amounting to N79 million (2023: N122million)

26.2 Net interest (recognised under personnel expenses)

In thousands of naira	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
Current service cost	6,614	6,068	249,305	279,738
Interest cost on benefit obligation	83,537	50,183	238,246	179,712
Interest income on assets	(69,700)	(67,440)	(708,826)	(322,090)
Net interest	20,451	(11,189)	(221,275)	137,360

NOTES TO THE FINANCIAL STATEMENTS

26.3 Net remeasurement gains/(losses) recognised in other comprehensive income

In thousands of naira	2024	2023
Defined benefit pension plan <i>(See note (a) below)</i>	78,667	(208,587)
Gratuity plan <i>(See note (a) below)</i>	874,872	825,346
Net remeasurement gains/(losses) recognised in other comprehensive income	953,539	616,759

In thousands of naira

Defined Benefit Pension plan		Gratuity Plan	
2024	2023	2024	2023

(a) Remeasurement gains

Remeasurement gains/(losses) on defined benefit obligation

71,445 (217,767) 312,626 93,722

Remeasurement gains/(losses) on plan assets

7,222 9,180 562,246 805,550

Net remeasurement losses in OCI

78,667 (208,587) 874,872 899,272

The factors contributed to the net actuarial loss above are as follows:

26.4 Changes in the present value of the defined benefit obligation are as follows:

In thousands of naira

	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
Opening defined benefit obligations	(542,227)	(403,865)	(1,385,070)	(1,141,669)
Current service cost	(6,614)	(6,068)	(249,305)	(279,738)
Interest cost	(83,537)	(50,183)	(238,246)	(179,712)
Remeasurement gains/(losses) on obligations	71,445	(217,767)	312,626	93,722
Benefits paid	78,939	135,656	233,773	122,327
Closing defined benefit obligations	(481,994)	(542,227)	(1,326,222)	(1,385,070)

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

The following payments are expected contributions to the defined benefit plan in the future:

In thousands of naira

	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
Between 1 and 10 years	5,334,918	(77,757)	(1,326,222)	2,932,089
	5,334,918	(77,757)	(1,326,222)	2,932,089

26.5 Changes in fair value of plan assets are as follows:

In thousands of naira

	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
Opening fair value of plan assets	464,470	523,506	4,317,159	3,311,845
Interest income	69,700	67,440	708,826	322,090
Benefits paid	(78,939)	(135,656)	(233,773)	(122,327)
Remeasurement gains on plan assets	7,222	9,180	562,246	805,550
Closing fair value of plan assets	462,453	464,470	5,354,459	4,317,159
Actual return on the plan assets	76,922	76,620	1,271,072	1,127,640

NOTES TO THE FINANCIAL STATEMENTS

The net benefit asset arising from the defined benefit obligation and the plan asset represents present value of economic benefit available in form of reduction in future contribution. Management has assessed if there is asset ceiling by comparing the present value of those future benefits with the surplus in the defined benefit plan. The latter was lower than the former, hence no need for asset ceiling. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
	%	%	%	%
Federal Government Securities	56.38	54.57	51.37	42.37
State Government Bonds	-	-	2.49	1.49
Money market instruments	22.29	19.14	31.92	40.56
Corporate bonds	19.33	22.28	2.22	5.31
Equities	2.00	4.01	0.80	0.40
Promissory notes	-	-	9.25	8.42
Uninvested cash	-	-	1.95	1.51
	100	100	100	100

The principal assumptions used in determining pension obligations for the Bank's plan are shown below:

	Defined Benefit Pension plan		Gratuity Plan	
	2024	2023	2024	2023
	%	%	%	%
Discount rate	18.30%	13.20	21.97%	14.30
Salary Increase Rate	6.00%	6.00	6.00%	6.00
Net pre-retirement rate	6.62	6.79	5.30	7.83
Expected return on assets	0.18	13.20	0.22	14.30

26.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

In thousands of naira

Defined Benefit Pension plan		2024		2023	
	Movement	Base DBO ('000)	DBO on changed assumptions ('000)	% Change	DBO on changed assumptions ('000)
Discount rate	+1%	542,227	596,450	-5.8%	(377,665)
	-1%	542,227	488,004	6.2%	432,137
Pension increase	+1%	542,227	599,161	6.8%	434,283
	-1%	542,227	485,293	-6.4%	(375,320)
Mortality rate	+1 yr	542,227	601,872	-2%	(395,346)
	-1 yr	542,227	482,582	2%	412,170

Gratuity Plan		2024		2023	
	Movement	Base DBO ('000)	DBO on changed assumptions ('000)	% Change	DBO on changed assumptions ('000)
Discount rate	+1%	1,326,222	1,458,844	-5.0%	(3,115,893)
	-1%	1,326,222	1,193,600	5.5%	3,248,034
Salary Increase	+1%	1,326,222	1,465,475	6.4%	3,257,947
	-1%	1,326,222	1,186,969	-5.9%	(3,106,396)
Mortality rate	+1 yr	1,326,222	1,472,106	0.2%	3,108,649
	-1 yr	1,326,222	1,180,338	-0.2%	(3,176,406)

NOTES TO THE FINANCIAL STATEMENTS

27 Share capital and reserves

(a) Share Capital

	2024	2023
	N'000	N'000
Issued and fully paid ordinary shares		
50,000,000 at N1 each (2023: 50,000,000 at N1 each)	50,000,000	50,000,000

In line with the provision of the NEXIM Act, the shareholding is equally shared between the Ministry of Finance Incorporated and Central Bank of Nigeria. The statutory share allocation is being paid over time.

(b) Retained earnings/(Accumulated Loss)

	2024	2023
	N'000	N'000
Opening Balance	(3,258,173)	(42,587,355)
Profit for the Year	30,471,507	13,175,854
Re-measurement gain/(loss) on defined benefit plans (See note 26.3)	953,539	616,759
Transfer (to)/from Regulatory Risk Reserve (See note 27(e))	(3,393,064)	25,536,569
At 31 December	25,202,220	(3,258,173)

Retained earnings are the carried forward profit and losses from previous years plus current profit attributable to shareholders less any dividends declared and transfers to other reserves.

Dividends

There was no dividend paid during the year ended 2024 (2023: Nil).

(c) Fair value reserve

	2024	2023
	N'000	N'000
Opening Balance	27,321,081.00	2,749,207
Net Gain on Equity Instrumnet	44,520,439.00	24,571,874
At 31 December	71,841,520	27,321,081

The fair value reserve includes the net cumulative change in the fair value of equity instruments measured at fair value through other comprehensive income until the investment is derecognised.

(d) Other reserve

	2024	2023
	N'000	N'000
Opening Balance	500,000	500,000
Additions	-	-
At 31 December	500,000	500,000

The other reserve represents the reserves created to cater for the fund maintained for the export guarantee activities of the Bank. This reserve is a voluntary reserve transferred out of retained earnings. The underlying fund is invested in the Stanbic IBTC Equity Fund and FSDH Coral Fund.

(e) Regulatory risk reserve

The regulatory risk reserve includes the difference between the impairment on loans and advances computed based on the Central Bank of Nigeria Prudential Guidelines and the impairment loss computed using the expected credit loss model on loans and advances under IFRSs. While the impairment loss model computed under IFRS is charged to profit or loss, the excess of regulatory impairment loss over the impairment loss computed using expected loss model is warehoused here.

NOTES TO THE FINANCIAL STATEMENTS

Statement of Prudential adjustments

In line with the same directive of the CBN, the Bank compared the provision based on the prudential guidelines with impairment under IFRS for year. See analysis below:

in thousands of naira

	2024	2023
Total impairment based on IFRS	30,730,992	28,617,998
Total impairment based on Central Bank of Nigeria's Prudential Guidelines	(46,472,597)	(40,966,539)
Regulatory risk reserve	(15,741,605)	(12,348,541)
in thousands (unit/share)	2024	2023
At 1 January	12,348,541	37,885,110
Transfer from/(to) retained earnings	3,393,064	(25,536,569)
At 31 December	15,741,605	12,348,541

28 Related party disclosures

NEXIM Bank is owned and controlled by the Ministry of Finance Incorporated (MOFI) and the Central Bank of Nigeria (CBN). They have equal percentage shareholding in the Bank.

These entities in addition to the Key Management Personnel of the Bank are related parties to the Nigerian Export- Import Bank.

The Bank has applied the exemption granted by IAS 24 relating to the disclosure requirements in relation to related party transactions and outstanding balances with (a) a government that has control and significant influence over the Bank (b) another entity that is a related party because the same government has control or significant influence over both the Bank and the other entity.

The following information are however disclosed in line with the requirements of IAS 24

(i) Ministry of Finance Incorporated (MOFI)

The transactions with the Ministry of Finance Incorporated are exempted from the disclosure requirement of IAS 24 due to their nature. However, material transactions and balances are disclosed

	2024	2023
	N'000	N'000
At 1 January	17,754,014	15,743,756
Additions/ (repayment)	3,273,975	2,010,258
As at 31 December	21,027,989	17,754,014

(ii) Central Bank of Nigeria (CBN)

The transactions with the Central Bank of Nigeria are exempted from the disclosure requirement of IAS 24 due to their nature. However, material transactions and balances are disclosed

	2024	2023
	N'000	N'000
At 1 January	144,103,537	144,742,915
Additions/ (repayment)	(1,627,156)	(639,378)
As at 31 December	142,476,381	144,103,537

In line with the requirement of IAS 24, the following related party transaction are required to be disclosed due to their individual material nature

31 December 2024			
Name of Related Party	Nature of Relationship	Nature of transaction	Amount
Ministry of Finance Incorporated	Joint Control	Other liabilities	13,428,453
		Debt securities and other borrowed funds	7,599,536
Central Bank of Nigeria	Joint Control	Debt securities and other borrowed funds	142,476,381

31 December 2023			
Name of Related Party	Nature of Relationship	Nature of transaction	Amount
Ministry of Finance Incorporated	Joint Control	Other liabilities	8,303,522
		Debt securities and other borrowed funds	9,450,492
Central Bank of Nigeria	Joint Control	Debt securities and other borrowed funds	144,103,537

(iii) Compensation to key management personnel of the Bank

Key management personnel is defined as Executive Directors of the Bank.

Compensation

	2024	2023
	N'000	N'000
Short-term employee benefits	340,840	348,800
Retirement benefit costs	396,613	142,233
	737,453	491,033

Non-executive directors do not receive pension entitlements from the Bank.

Chairman and Directors' emoluments

	2024	2023
	N'000	N'000
Fees:		
Chairman	-	10,543
Other non-executive directors	-	96,861
	-	107,404
Emoluments as executive directors	340,840	331,083
	340,840	438,487
Highest paid director	183,395	121,560

Number of Directors (excluding the chairman) with the following emolument range were:

	2024	2023
	Number	Number
N6,000,001 - N6,900,000	3	3

Information on employees

Average number of persons employed in the financial year and the related staff costs were as follows:

	2024	2023
	N'000	N'000
Managerial	14	19
Senior staff	65	49
Junior staff	112	128
	191	196

The related staff costs, salaries and allowances and pension amounted to N4.500 billion (2023: N3.468 billion)

The average gross salaries range and number of persons employed (excluding directors) in the Bank during the year.

	2024	2023
	Number	Number
N3,500,001 - N4,000,000	2	2
N4,000,001 - N5,000,000	6	5
N5,000,001 - N6,000,000 & above	183	189
	191	196

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel and their immediate relatives engaged in the following transactions with the Bank during the year:

	2024	2023
	N'000	N'000
Loans and advances	3,462,821	2,198,901
Interest income earned during the year	429,430	277,488
	3,892,251	2,476,389

29 Contingent liabilities and commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in the assessment of the state of financial affairs of the Bank, have been taken into consideration in the preparation of the financial statements.

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of undrawn commitments to lend. There was no undrawn commitment as at the year end.

Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

Letters of guarantees commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. There is no letters of guarantees as at the year end.

During the year, there is no contingent liabilities that require disclosure (as none of these meet the definition in IAS 37).

Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At the reporting date, the Bank is involved in various litigation suits in the ordinary course of its business. The actions are being contested and the Directors are of the opinion that none of the cases are likely to have a material adverse effect on the Bank.

The Bank, in its ordinary course of business, is presently involved in 54 cases as a defendant (31 December 2023: 34 cases). The total amount claimed in the cases against the Bank is estimated at N8.6 billion (31 December 2023: N2.9 billion).

30 Event after reporting period

There were no significant events after the reporting period that requires disclosure or adjustment in the financial statements that has not been adequately provided for or disclosed.

NOTES TO THE FINANCIAL STATEMENTS

31 Cashflow Workings

	Note	31-Dec 2024 N'000	31-Dec 2023 N'000
Cash and cash equivalents for the purpose of statement			
(a) of cash flows			
Cash on hand	16	5,994	24,219
Cash in bank	16	10,035,901	9,185,088
Placement with banks	16	153,929,391	100,903,428
		163,971,286	110,112,735
(b) Loans and advances to customers			
Opening Balance (net of impairment)	18	155,826,925	146,759,620
Interest Income on Loans to Customers	7	15,103,103	12,990,476
Interest Income on Loans to Staff	7	245,810	147,294
ECL Impairment	9	(2,836,580)	(4,043,068)
Closing Balance	18	(205,038,995)	(155,826,925)
Net (increase)/decrease in Loans and advances		(36,699,737)	27,397
(c) Other assets			
Opening Balance	20	860,138	829,952
ECL Impairment Expense	9	(10,744)	(32,359)
Closing Balance	20	(4,674,810)	(860,138)
Net Increase in other assets		(3,825,416)	(62,545)
(d) Accruals and other liabilities			
Opening Balance	25	16,843,739	13,418,265
Closing Balance	25	(17,407,329)	(16,843,739)
Net (Increase)/Decrease in other liabilities		(563,590)	(3,425,474)
(e) Proceeds on disposal of PPE			
Cost	21	44,141	272,458
Accumulated Depreciation		(43,140)	(137,868)
Net Book Value		1,001	134,590
Gain/(loss) on disposal		7,870	(76,205)
Proceeds on disposal of PPE		8,871	58,385
(f) Employee Benefit Cost			
Net interest on pension plan	26.2	20,451	(11,189)
Net interest on gratuity plan	26.2	(221,275)	137,360
Net Interest (income)/expense on Employee Benefit Cost		(200,824)	126,171

OTHER NATIONAL DISCLOSURES

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

For the year ended in thousands of naira	31-Dec-2024 N'000	%	31-Dec-2023 N'000	%
Gross earnings	51,122,249	146	34,808,430	198
Interest expense	(3,486,152)	(10)	(3,437,395)	(20)
	47,636,097		31,371,035	
Impairment charges for credit losses	(3,033,509)	(9)	(7,759,516)	(44)
	44,602,588		23,611,519	
Bought in materials and services	(9,479,526)	(27)	(6,036,171)	(34)
Value added	35,123,062	100	17,575,348	100
Distribution of value added				
To employees:				
Salaries and benefits	4,129,746	12	4,038,086	23
Retained in the business				
For replacement of property and equipment	395,175	1	259,780	1
For replacement of equipment on lease	55,773	0	38,787	0
For replacement of intangible assets	70,861	0	62,841	0
To augment reserves	30,471,507	88	13,175,854	75
	35,123,062	100	17,575,348	100

Value added statements represents the wealth created by the efforts of the Bank and its employees' efforts based on ordinary activities and allocation of that wealth being created between employees, shareholders, and that retained for the future creation of more wealth.

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY

	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Bank	N'000	N'000	N'000	*Restated N'000	N'000
<i>Statement of financial position</i>					
ASSETS					
Cash and bank balances	159,977,030	9,206,600	12,675,746	4,144,907	6,171,177
Due from banks	-	97,098,064	64,991,028	51,441,369	60,262,271
Loans and advances to customers	205,038,995	155,826,925	146,759,620	131,992,157	85,706,366
Equity instruments at FVOCI	79,127,289	32,269,084	6,572,584	6,034,777	5,263,265
Property, plant and equipment	3,042,902	2,961,585	2,992,890	2,675,601	2,485,702
Intangible assets	126,562	140,770	168,273	65,510	97,592
Right of use asset	72,291	121,379	56,065	75,576	14,753
Net employee defined benefit assets	4,008,696	2,854,330	2,363,743	247,794	263,709
Other assets	4,674,810	860,138	829,952	2,225,723	1,007,596
TOTAL ASSETS	456,068,575	301,338,875	237,409,901	198,903,414	161,272,431
LIABILITIES					
Debt securities issued and other borrowed funds	276,004,979	197,583,685	175,444,672	144,717,510	112,067,341
Other liabilities	17,407,329	16,843,739	13,418,265	12,047,641	11,532,195
TOTAL LIABILITIES	293,412,308	214,427,424	188,862,937	156,765,151	123,599,536
NET ASSETS	162,656,267	86,911,451	48,546,964	42,138,263	37,672,895
CAPITAL AND RESERVES					
Share capital	50,000,000	50,000,000	50,000,000	49,912,571	49,912,572
Retained earnings	25,202,220	(3,258,173)	(42,587,355)	(33,295,601)	(44,881,342)
Regulatory risk reserve	15,741,607	12,348,543	37,885,112	22,345,871	30,198,605
Fair value reserve	71,212,440	27,321,081	2,749,207	2,675,422	1,943,060
Other reserve	500,000	500,000	500,000	500,000	500,000
SHAREHOLDERS' FUNDS	162,656,267	86,911,451	48,546,964	42,138,263	37,672,895
	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
<i>Income statement</i>	N'000	N'000	N'000	N'000	N'000
Gross earnings	51,122,249	34,808,430	17,213,117	14,280,492	8,583,642
Interest expenses	(3,486,152)	(3,437,395)	(2,612,354)	(1,117,899)	(858,702)
Credit loss expense/impairment charges	(3,033,509)	(7,759,516)	(423,146)	(2,327,421)	(1,328,587)
				-	
Profit for the year	30,471,507	13,175,854	6,225,296	4,129,965	2,628,997