



The Infrastructure Bank Plc and Subsidiary Companies

**Annual Report
For the year ended 31 December 2024**

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Corporate information

Board of directors:	<p>Aliyu Ibrahim Bala Nasiru Isyaku Ayuli Jemide Ivie Ivana Osagie Andrew Chikwelu Nweke Tanimu Yakubu Muhammad-Ja Mfon Ekong Usoro Ali Mohammed</p>	<p>Chairman Executive Director- (Appointed 20 January 2025) Non-executive Director Non-executive Director Non-executive Director Non-executive Director (Resigned 31 July 2024) Independent Non-executive Director Non-executive Director</p>
Secretary	Chienye Nnenna Obiajulu	
Registered office:	Plot 977 Central Business District (Adjacent National Mosque) P.M.B 272, Garki Abuja F.C.T Nigeria	
Lagos office:	52 Ahmadu Bello Way Victoria Island, Lagos Nigeria	
Independent auditor:	Ernst & Young 10th and 13th Floors, UBA House 57 Marina, Lagos.	
Bankers:	Access Bank Plc Ecobank Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Limited Providus Bank Plc Keystone Bank Limited Sterling Bank Plc United Bank for Africa Plc Unity Bank Plc	
Independent valuer:	Osas & Oseji FRC/2012/0000000000522	
RC No.:	196688	
Tax Identification Number:	01380871-0001	

Chairman's statement

Introduction

The year 2024 marked a pivotal chapter for The Infrastructure Bank Plc, as we navigated a complex economic environment while reinforcing our commitment to resilience and long-term growth. Despite persistent macroeconomic challenges, we made strategic progress in stabilizing our financial position, optimizing operational efficiency, and positioning the Bank for sustainable success. The proactive measures implemented in recent years have begun to yield positive results, enabling us to strengthen our foundation and enhance our capacity to support Nigeria's economic development.

Market environment

The Nigerian economy experienced a moderate recovery in 2024, with real GDP growth accelerating to 3.84%, up from 2.74% in 2023. While the oil sector continued to face headwinds, the non-oil economy, particularly the agriculture and services sectors demonstrated resilience, driving economic activity. The service sector emerged as the primary contributor, expanding by 5.37% and accounting for 57.38% of total GDP.

Inflationary pressures remained a key concern, albeit with some moderation. Headline inflation stood at 34.80%, driven largely by persistent increases in energy and food prices. In response, the Central Bank of Nigeria (CBN) maintained a tight monetary stance, holding the monetary policy rate at 27.5% throughout the year to curb inflation and stabilize the naira. Despite these interventions, the fiscal deficit widened to 7.6% of GDP, exceeding the 3.8% budgeted for the 2024 fiscal year, underscoring the need for sustained fiscal discipline.

The external sector showed encouraging signs of improvement. The current account recorded a surplus of \$6.1 billion (13.0% of GDP), supported by increased oil exports and remittance inflows. Additionally, Nigeria's external reserves grew by 24.2% to \$40.88 billion, up from \$32.91 billion at the end of 2023, providing approximately 9.09 months of import cover. These developments highlight the importance of continued prudence in external sector management to maintain macroeconomic stability.

Financial performance

The 2024 financial year marked a pivotal chapter in our journey as one defined by financial recovery, operational resilience, and strategic realignment. I am pleased to report that the Group delivered a profit before tax of ₦863 million, a remarkable turnaround from the ₦1.45 billion loss recorded in 2023. This return to profitability underscores the effectiveness of our recovery strategies, the discipline of our governance framework, and the collective resolve of our team.

While gross earnings experienced a modest decline to ₦1.67 billion, the quality of our income improved substantially. Fee and commission income rose by an impressive 44% to ₦931 million, reinforcing the relevance and growing trust in our service offerings. Furthermore, we recorded fair value gains on investment properties which is an outcome that speaks to our prudent asset management and long-term stewardship.

Our balance sheet also reflected this momentum as the total Group assets grew by 8.2% year-on-year to ₦7.41 billion (2023: ₦6.85 billion), primarily driven by an increase in investment properties, which rose to ₦3.38 billion (2023: ₦2.74 billion). This growth suggests a deliberate revaluation strategy that enhances our asset base and earnings potential.

Most notably, we achieved a significant improvement in our shareholder's equity that moved from a deficit of ₦1.70 billion in 2023 to a surplus of ₦2.15 billion in 2024. The Bank's standalone capital position strengthened even further, closing the year at ₦3.08 billion. This solid capital base, supported by restored profitability and strategic financial actions, positions us strongly to pursue new opportunities with confidence and resilience.

Strategic Outlook and Capital Raise

Looking ahead, The Infrastructure Bank Plc is embarking on a transformative journey to further strengthen its financial position. A key milestone in this process is the successful N5 billion capital-raise through a Rights Issue, which marks the beginning of our broader plan to reposition the Bank's capital base to N50 billion, as approved by the Board of Directors.

This capital injection will play a crucial role in strengthening our financial foundation and improving capital adequacy, enhancing operational efficiency through targeted investments in digital banking and technology, reducing debt levels to improve financial flexibility and expanding our role in infrastructure financing whilst reinforcing our commitment to national development.

The N5 billion Rights Issue underscores investor confidence in the Bank's turnaround strategy and growth potential. By leveraging these funds effectively, we are committed to restoring profitability, driving innovation, and delivering greater value to our stakeholders.

Conclusion

Despite the prevailing macroeconomic challenges, 2024 was a year of significant progress for The Infrastructure Bank Plc. We remain steadfast in our commitment to achieving financial stability and operational excellence. Our strategic initiatives are paving the way for a stronger, more competitive, and future-ready institution.

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders, customers, employees, and regulatory partners for their unwavering support and confidence in our vision. Together, we will continue working toward our goal of becoming Nigeria's leading infrastructure development bank, delivering long-term value to all stakeholders.

Thank you.

Aliyu Ibrahim Bala
FRC/2020/003/00000021459
Chairman, Board of Directors

Chief executive officer's statement

The 2024 financial year marked a pivotal chapter in the journey of The Infrastructure Bank Plc, as it was characterized by disciplined execution, a sharp return to profitability, and a renewed focus on operational excellence. In the face of a complex economic environment, we successfully strengthened our position as a private sector-led development finance institution. Despite persistent challenges, key economic indicators pointed towards a positive trajectory, providing a robust foundation for sustainable growth in the years ahead.

Macroeconomic Overview

Nigeria's Gross Domestic Product (GDP) grew by 3.84% year-on-year in real terms in the fourth quarter of 2024, an increase from 3.46% in the same quarter of 2023. This growth was predominantly driven by the Services sector, which recorded a growth of 5.37% and contributed 57.38% to the aggregate GDP.

The Services sector demonstrated robust performance across key sub-sectors throughout 2024. Notably, the Information and Communication Technology (ICT) sector emerged as a significant driver of economic activity, contributing 17.68% to Nigeria's GDP in the fourth quarter, reflecting the nation's accelerating digital transformation. The Financial Institutions sub-sector also exhibited substantial growth, with its contribution to nominal GDP increasing to 6.39% in the second quarter, a marked improvement from 4.01% in the corresponding period of the preceding year. Furthermore, the Construction and Infrastructure sector recorded a positive trajectory, contributing 5.09% to nominal GDP in the first quarter, exceeding the 4.11% recorded in the same period of the previous year, indicative of sustained infrastructure development initiatives.

Inflationary pressures remained a significant concern throughout 2024. The headline inflation rate increased to 33.88% in September 2024, up from 22.79% in June 2023, driven by rising food and energy prices. In response, the Central Bank of Nigeria maintained a tight monetary policy stance, keeping the benchmark interest rate at 27.5% to curb inflationary trends.

The fiscal landscape showed signs of improvement, with the fiscal deficit narrowing to 4.4% of GDP in the first half of 2024, down from 6.2% in the same period the previous year. This improvement is attributable to disciplined fiscal management and higher non-oil revenues. However, public debt increased to N134.30 trillion (US\$91.35 billion) in Q2 2024, as the government continued to finance the deficit through borrowing.

The external sector also recorded positive developments, with the current account recording a surplus, supported by improved oil export revenues. Gross international reserves increased by 24.2%, reaching \$40.88 billion, equivalent to approximately 9.09 months of import cover, reflecting a more robust external position.

Looking ahead to 2025, the economic outlook remains cautiously optimistic. The Central Bank of Nigeria projects GDP growth of 4.17% in 2025, driven by sustained improvements in the non-oil sectors and a recovery in oil production. Inflation is expected to gradually ease as the positive effects of recent economic reforms begin to materialize.

Financial performance Highlights

The Gross earnings closed at ₦1.67 billion, representing a 14.4% decline from ₦1.95 billion in 2023. This was primarily due to the non-recurrence of exceptional high-yield income recorded in the prior year. Yet, behind this top-line reduction lies a compelling narrative of recovery and resilience. Profit before tax reached ₦863 million, which is a remarkable turnaround from the ₦1.45 billion loss reported in 2023. Net profit after tax also rebounded strongly to ₦847 million, compared to a loss of ₦1.36 billion in the previous year. These improvements reflect not just better income quality, but also stronger operational risk management.

A review of our revenue drivers and operational efficiencies showed that fee and commission income rose significantly by 44% to ₦931 million (2023: ₦646 million), driven by strong performance in our asset management and advisory businesses. Fair value gains on investment properties also contributed positively, increasing to ₦638 million (2023: ₦434 million), underscoring sound asset valuation strategies and positive real estate market conditions.

As expected, other income declined to ₦92 million from ₦848 million, given the non-repeat of exceptional items recorded in 2023. Encouragingly, there were no impairment charges during the year, a significant improvement from the ₦2.81 billion provisioning in 2023, highlighting enhanced asset quality and prudent risk management. Operating expenses rose to ₦758 million (2023: ₦588 million), reflecting normalized business activity levels and increased professional engagements. Despite the rise in costs, the Group maintained a healthy operating margin, thanks to balanced and efficient cost management aligned with revenue growth.

From a shareholder perspective, earnings per share improved to 7 kobo, up from a loss per share of 22 kobo in 2023. The Group also saw a dramatic transformation in its capital position: shareholders' equity swung from a deficit of ₦1.70 billion to a surplus of ₦2.15 billion. At the Bank level, equity increased to ₦3.08 billion, supported by fresh capital injections and retained earnings.

Total assets grew by 8.2% to ₦7.41 billion (2023: ₦6.85 billion), driven largely by a strategic expansion in investment properties, which rose to ₦3.38 billion. This asset growth reflects a deliberate, long-term approach to value creation through strategic revaluation.

Looking forward

A significant milestone in the Bank's journey is our securing regulatory approvals for capital raising of N5 billion through a Rights Issue. This marks an important phase in the process of repositioning the Bank's capital base to N50 billion, as approved by the Board of Directors. This capital injection is a crucial step in our strategic plan to strengthen the Bank's financial position, enhance our operational capabilities, and expand our role in Nigeria's infrastructure development. The funds raised will enable the Bank to reduce debt, invest in technology, and improve our service delivery, while maintaining a strong balance sheet.

Our 2024 performance marks more than just a recovery, rather it reflects the solid groundwork laid for sustainable, long-term growth. As TIB Plc moves into the new financial year, we do so with renewed strength, strategic clarity, and the confidence to accelerate our momentum.

Thank you



Nasiru Isyaku
FRC/2013/ICAN/00000001129
Executive Director

Directors' report

for the year ended 31 December 2024

The Directors present their report on the affairs of The Infrastructure Bank Plc (“the Bank”) and its subsidiaries (“the Group”), together with the financial statements and auditor’s report for the financial year ended 31 December 2024.

Legal form

The Infrastructure Bank Plc is a public limited company incorporated in Nigeria. It was established by Act No. 51 of 1992. The Bank's name was changed from Urban Development Bank of Nigeria Plc to The Infrastructure Bank Plc by a special resolution effective 27 June 2011.

Principal activity and business review

The Bank was established to foster the rapid development of infrastructure across the Federation through the provision of finance and banking services.

The Bank has five subsidiaries namely Marina Express Train Services Limited (“METSL”), Infrastructure Heights Limited (“IHL”), TIB Asset Management Limited (“TIB AML”), Motorways Asset Limited (“MAL”) and Hamgrad Limited.

These consolidated financial statements include the results of the Bank, MAL, METSL, IHL and TIB AML. The financial statements of Hamgrad Limited have not been consolidated as the company had not been capitalised and hence is not operational as at year end.

MAL, METSL and IHL are Special Purpose Vehicles (SPV) incorporated by the Bank to execute infrastructure projects while TIB AML was incorporated to act as a Fund/Portfolio Manager to third party funds. The Bank typically incorporates and holds SPV shares in trust pending the admittance of substantive investors, which will result in reducing the Bank's interest to a minority position.

Operating results

The highlights of the Group's and the Bank’s operating results for the year are as follows:

<i>In thousands of Naira</i>	Group 31 Dec 24	Group 31 Dec 23	Bank 31 Dec 24	Bank 31 Dec 23
Gross earnings	1,665,875	1,946,770	1,662,242	1,917,642
Profit/(loss) before income tax	863,401	(1,449,798)	872,909	1,397,624
Income tax expenses	(16,309)	91,202	(16,309)	92,144
Profit/(loss) for the year	847,092	(1,358,596)	856,600	1,489,768
Basic and diluted earnings/(loss) per share (kobo)	7	(22)	-	-

Ownership structure

The issued and fully paid-up share capital of the Bank was 12,206,000,000 ordinary shares of 50k each as at 31 December 2024 (2023: 6,206,000,000 ordinary shares of 50k each). The shareholding structure as at the reporting date were as shown below:

		31-Dec-24		31-Dec-23
<i>Shareholders</i>	<i>Number of Shares</i>	<i>Shareholding Percentage</i>	<i>Number of Shares</i>	<i>Shareholding Percentage</i>
Norrenberger Investment and Capital Management Limited	9,740,358,986	79.80%	3,740,358,986	60.27%
Federal Government of Nigeria	640,000,000	5.24%	640,000,000	10.31%
Armdof Assets Ltd	547,426,653	4.48%	547,426,653	8.82%
Rahasset Nigeria Limited	349,247,902	2.86%	349,247,902	5.63%
State Governments and Federal Capital Territory of Nigeria	320,000,000	2.62%	320,000,000	5.16%
Local Governments of Nigeria	320,000,000	2.62%	320,000,000	5.16%
Estate of Hakeem Olamide Sanusi	131,132,070	1.07%	131,132,070	2.11%
Corporate Oil & Gas Limited	112,725,000	0.92%	112,725,000	1.82%
Rabiu Suleiman Bichi	28,065,369	0.23%	28,065,369	0.45%
Anne Tarieri Sanusi	12,174,300	0.10%	12,174,300	0.20%
Bolaji Lawal	4,869,720	0.04%	4,869,720	0.08%
Total	12,206,000,000	100%	6,206,000,000	100%

Directors' report

for the year ended 31 December 2024

Directors and their interests

The following directors of the Bank held office during the year and represented the Bank's shareholders. The directors' direct and indirect interests in the issued share capital of the Bank as recorded in the register of directors' shareholding for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 were as follows:

Director	31-Dec-24		31-Dec-23	
	Direct	Indirect	Direct	Indirect
Aliyu Ibrahim Bala	-	-	-	-
Tanimu Yakubu Muhammad-Ja*	-	-	-	-
Mfon Ekong Usoro	-	-	-	-
Ali Mohammed	-	-	-	-
Ayuli Jemide	-	-	-	-
Ivie Ivana Osagie	-	-	-	-
Andrew Chikwelu Nweke	-	-	-	-

*Resigned effective 31 July 2024

Directors' interests in contracts

None of the directors has notified the Group and the Bank, for the purpose of Section 303 of the Companies and Allied Matters Act 2020 of Nigeria, of any direct or indirect interest in contracts or proposed contracts with the Bank during the year.

Property and equipment

Information relating to property and equipment is given in Note 21 to the consolidated and separate financial statements. In the opinion of the directors, the net realisable value of the property and equipment is not less than the value shown in the financial statements.

Analysis of shareholding

The shareholding composition of the Bank as at 31 December 2024 was as stated below:

Share range	No. of shareholders	Percentage of shareholdings	No. of holdings	Percentage holdings
1,000,000-50,000,000	3	27.3%	45,109,389	0.4%
50,000,001 – 100,000,000	-	0.0%	-	0.0%
100,000,001 – 500,000,000	5	45.5%	1,233,104,972	10.1%
500,000,001– 1,000,000,000	2	18.2%	1,187,426,653	9.7%
1,000,000,001– 6,000,000,000	1	9.1%	9,740,358,986	79.8%
	11	100%	12,206,000,000	100%

The shareholding composition of the Bank as at 31 December 2023 was as stated below:

Share range	No. of shareholders	Percentage of shareholdings	No. of holdings	Percentage holdings
1,000,000-50,000,000	3	27.3%	45,109,389	0.4%
50,000,001 – 100,000,000	-	0.0%	-	0.0%
100,000,001 – 500,000,000	5	45.5%	1,233,104,972	10.1%
500,000,001– 1,000,000,000	2	18.2%	1,187,426,653	9.7%
1,000,000,001– 6,000,000,000	1	9.1%	3,740,358,986	30.6%
	11	100%	6,206,000,000	51%

Directors' report

for the year ended 31 December 2024

Substantial interest in shares

According to the register of members at 31 December 2024, no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholders	31 December 2024		31 December 2023	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Norrenberger Investment and Capital Management Limited	9,740,358,986	79.80%	3,740,358,986	60.27%
Federal Government of Nigeria (represented by Ministry of Finance Incorporated)	640,000,000	5.2%	640,000,000	5.2%

Donations and Charitable contributions

During the year, the group did not make any donation (2023: Nil).

Human resources

(i) Employment of people living with disabilities

The Bank continues to maintain a policy of giving fair consideration to applications for employment of people living with disabilities, with due regard to their abilities and aptitudes. The Bank's policies prohibit discrimination against these persons in recruitment, trainings and career development. In the event members of staff develop disabilities, efforts will be made to ensure that their employment with the Bank continues and appropriate training is arranged to ensure that they fit into the Bank's working environment.

(ii) Health, safety and welfare at work

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Employee involvement and training

The Bank ensures that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism. In accordance with the Bank's policy of continuous development, the Bank draws up annual training programmes. The programmes include on the job training, classroom sessions and web-based training programmes which are available to all staff.

Contingency Planning Framework

The Infrastructure Bank Plc is committed to safeguarding the interests of our customers and employees in the event of an emergency or other Significant Business Disruption (SBD). The Bank has in place a Business Continuity and Contingency Plan to guide and manage any disruptive developments that may threaten Business Continuity. Our Business Continuity Plan details how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we have created a flexible process and environment that can enable us respond to actual events as they occur for the benefit of all stakeholders within a shortest recovery time.

Events after Reporting date

As part of the bank's recapitalization strategy and commitment towards growth prospects and strategic initiatives for the Bank, The directors on 1 July 2024 resolved and approved to raise additional capital of up to N50billion through an offer by way of rights issue in such ratios and terms as may be determined by the directors, subject to obtaining the approval of relevant regulatory authorities. The shareholders however approved that the Bank's issued share capital be increased from N3,103,000,000 (Three billion, One Hundred and Three Million Naira) divided into 6,206,000,000 (Six Billion, Two Hundred and Six Million) Ordinary Shares of N0.50k (Fifty) Kobo each to N8,103,000,000 (Eight billion, One Hundred and Three Million Naira) divided into 16,206,000,000 (Sixteen Billion, Two Hundred Six Million) Ordinary Shares of N0.50k. On the 26th of July 2024, The Corporate Affairs Commission certified the resolution and notice of the increase in issued share capital for the Bank. However, in 2025, some minority shareholders have indicated their interest to subscribe to the remaining N2bn rights issue of which the Ministry of Finance already taken their right of N515 million.

Auditor

Messrs. Ernst & Young having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors of the Bank. In accordance with Section 401 (2) of the Companies and Allied Matters Act 2020 therefore, the auditors will be re-appointed by the Bank subject to shareholders approval at the Annual General Meeting.

BY ORDER OF THE BOARD



Chienye Obiajulu
FRC/2020/002/00000021296
Company Secretary
Plot 977 Central Business District
(Adjacent National Mosque)
Abuja F.C.T.
Nigeria

24 April 2025

Corporate governance report

for the year ended 31 December 2024

The Infrastructure Bank Plc's ambition to become the premier focal point for infrastructure development in Nigeria carries with it a responsibility to maintain the highest standards of corporate governance and to promote a culture of continuous improvement, where there is a code of adopting and being guided by best practice processes and procedures.

The Bank functions under a governance framework that enables the Board to discharge its role of providing oversight and strategic counsel alongside its responsibility to ensure the Bank's compliance with regulatory requirements and acceptable risk. The Bank is mindful of its obligations under the relevant codes of corporate governance, such as: the Companies and Allied Matters Act 2020; the Central Bank of Nigeria's (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation (the CBN Code); and the Securities and Exchange Commission's Code of Corporate Governance (the SEC Code).

These codes, in addition to the Bank's Memorandum and Articles of Association, collectively provide the basis for promoting sound corporate governance in the Bank. Our core values of teamwork, integrity, innovativeness, tenacity, result oriented, and intellectualism are the bedrock upon which we continue to build our corporate behaviour.

Shareholders' meetings

The Shareholders remain the highest decision making body of the Bank, subject to the Memorandum and Articles of Association of the Bank, and other applicable legislation. At the Annual General Meeting (AGM), decisions affecting the Management and strategic objectives of the Bank are taken through a fair and transparent process. Such AGMs are attended by the Shareholders or their proxies and proceedings at such meetings are monitored by the Bank's statutory Auditors.

Shareholders' meetings are duly convened and held in line with the Bank's Articles of Association and existing statutory and regulatory regimes in an open manner, for the purpose of deliberating on issues affecting the Bank's strategic direction.

This occurs through a fair and transparent process and also serves as a medium for promoting interaction between the Board, Management and Shareholders. The Board ensures that Shareholders are provided with adequate notice of meetings. Directors may also, whenever they think fit, convene an Extra-ordinary General Meeting (EGM).

Ownership Structure

The authorised share capital of the Bank is made up of 12,206,000,000 ordinary shares of 50 kobo each. As at 31 December 2024, the Bank's share capital was fully issued and paid-up with 12,206,000,000 ordinary shares of 50 kobo each.

The shareholding structure is shown below:

Shareholder	Number of Shares	2024	Number of Shares	2023
		Shareholding Percentage		Shareholding Percentage
Norrenberger Investment and Capital Management Limited	9,740,358,986	79.80%	3,740,358,986	60.27%
Federal Government of Nigeria	640,000,000	5.2%	640,000,000	10.3%
Armdof Assets Ltd	547,426,653	4.5%	547,426,653	8.8%
Rahasset Nigeria Limited	349,247,902	2.9%	349,247,902	5.6%
State Governments and Federal Capital Territory of Nigeria	320,000,000	2.6%	320,000,000	5.2%
Local Governments of Nigeria	320,000,000	2.6%	320,000,000	5.2%
Estate of Hakeem Olamide Sanusi	131,132,070	1.1%	131,132,070	2.1%
Corporate Oil & Gas Limited	112,725,000	0.9%	112,725,000	1.8%
Rabiu Suleiman Bichi	28,065,369	0.2%	28,065,369	0.5%
Anne Tarieri Sanusi	12,174,300	0.1%	12,174,300	0.2%
Bolaji Lawal	4,869,720	0.0%	4,869,720	0.1%
Total	12,206,000,000	100%	6,206,000,000	100%

Corporate governance report
for the year ended 31 December 2024

Board of Directors

The Board is the Bank’s highest decision making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which in turn is critical to sustainable growth. The Board of Directors has the responsibility of advancing the performance of the Bank by collectively directing the Bank’s affairs, while meeting the appropriate interests of shareholders and stakeholders.

The members of the Board of Directors have diversified backgrounds cutting across various professions, with exceptional banking, financial and broader entrepreneurial experience. These competencies have impacted on the smooth operations and steady growth of the Bank.

The office of the Chairman of the Board is distinct and separate from that of the Managing Director/ CEO and the Chairman does not participate in running the daily activities of the Bank.

The Board Chairman, Mr. Aliyu Ibrahim Bala is an accomplished Electrical Engineer with, extensive leadership experience in various industries. He holds a Bachelor of Engineering (B. Eng), in Electrical Engineering from Ahmadu Bello University Zaria, and a Member of the Nigerian Society of Engineers. He is currently the Group Executive Director of Ladol Integrated Logistics Enterprise (Lile) A deep offshore oil and gas Logistics support Base at Ladol Free Zone, and, Chairman, Board of Directors at the Norrenberger Group.

We confirm that in line with best practice, the Chairman of the Board is not a member of any Board Committee and appointment to the Board is made by the Shareholders at the Annual General Meeting upon recommendation by the Board of Directors.

Memberships of the Board of Directors during the year ended 31 December 2024 were as follows:

Name	Designation
Aliyu Ibrahim Bala	- Chairman
Tanimu Yakubu Muhammad-Ja	- Non-Executive Director
Ayuli Jemide	- Non-executive Director
Ivie Ivana Osagie	- Non-executive Director
Andrew Chikwelu Nweke	- Non-executive Director
Mfon Ekong Usoro	- Independent Non-executive Director
Ali Mohammed	- Non-executive Director

Delegation of authority

The ultimate responsibility for the Bank’s operations rests with the Board. The Board retains effective control through a well-developed Committee governance structure that provides in-depth focus on Board responsibilities. The Board delegates authority to the Managing Director / CEO to manage the affairs of the Bank within the parameters established by the Board from time to time.

The Board meets quarterly and emergency meetings are convened as may be required. Material decisions may be taken between meetings through written resolutions as provided for by the Bank’s Memorandum and Articles of Association.

All Directors are provided with notices, an agenda and meeting papers in advance of each meeting and, where a Director is unable to attend a meeting, he/she is still provided with the relevant papers for the meeting.

Any such Director also reserves the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. The Directors are also provided with regular updates on developments in the regulatory and business environment.

Access to information and resources

There is a continuous engagement between the Executive Management and the Board. The Bank’s external auditors attend meetings convened by the Board, the Board Audit and Risk Management Committee and the Shareholders, when there is need.

The Directors have unrestricted access to Management and Bank’s information in addition to other resources to carry out their roles and responsibilities, including access to external professional advice at the Bank’s expense.

Corporate governance report

for the year ended 31 December 2024

Board committees

The Board carries out its oversight function through its standing committees, each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. The four standing committees of the Board are:

Board Audit and Risk Management Committee (BA&RMC)
Board Governance, Remuneration and Nominations Committee (BGRNC),
Board Credit and Investment Committee (BCIC)
Board Finance and General Purpose Committee (BFGPC)

The membership of the various Board Committees at the end of the year 2024 is set out below:

NAME	BCIC	BF&GPC	BGRNC	BA&RMC
Aliyu Bala Ibrahim (Chairman)	-	-	-	-
Nkiru Chime	-	-	-	-
Ivana Ivie Osagie	-	-	C	M
Ayuli Jemide	M	C	-	-
Andrew Nweke	C	-	-	M
Tanimu Yakubu Muhammad-Ja (NED)	M	M	-	-
Mfon Usoro (INED)	-	-	M	C
Ali Mohammed	-	M	M	-

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C = Chairman
M = Member

Board Audit and Risk Management Committee

The Committee assists the Board in achieving its oversight responsibility relating to the integrity of the Bank's financial statements and the financial reporting process; the independence and performance of the Bank's internal and external auditors; the Bank's system of internal control and mechanism for receiving complaints regarding the Bank's accounting and operating procedures; establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements. In addition, it ensures that the risk management framework is integrated into the day to day operations of the business and provides guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology and compliance, through periodic review of reports provided by Management. The Bank's Internal Auditor has access to the Committee and submits quarterly reports to the Committee, while the Risk Manager also presents monthly and quarterly Risk Reports to the Committee. The Internal Auditor, Risk Manager, and Executive Directors have a standing invitation to attend the meetings of the Committee.

The Committee evaluates the Bank's risk policies on a periodic basis to accommodate major changes in the internal or external environment.

The Committee is chaired by Mrs Mfon Usoro. Mrs Mfon Usoro is the Managing Partner of Paul Usoro & Co. Legal Practitioners. She is an Independent Director on the Board of the Bank. She has extensive experience garnered from advising leading organisations including domestic and multinational companies, Export Credit Agencies, Multinational and Bilateral Development Finance Institutions (DFIs), International Organisations, Public Agencies, Governments at different levels and Inter governmental Institutions within and outside Nigeria.

Other members of the Committee have relevant backgrounds in financial management and accounting as required by the CBN code of corporate governance.

Board Governance Remuneration and Nominations Committee

The Committee has responsibility for ensuring the implementation of sound governance practices by the Board; the review and recommendation of executive and non-executive directors' remuneration and compensation for approval by the Board; overseeing the annual performance management evaluation of the Board; and considering and making recommendation to the Board on nominations to the Board in line with the Bank's corporate governance documents and policies. The Committee is comprised of only Non-executive Directors.

The committee is chaired by Ms. Ivana Ivie Osagie. Ms. Osagie has over 30 years' experience in strategy/corporate development, business development and general management functions with multinational companies in Europe and a listed energy/manufacturing firm in Nigeria. She is currently the founder and Managing Director of PWR Advisory – a leading Africa-focused ESG consulting firm. She is a member of the Institute of Directors and sits on a number of boards.

Ms Osagie holds an MSc from the University of the West of England, an MBA from the University of Liverpool, and is an alumnus of INSEAD's Advanced Management Program.

Other members of the Committee have relevant backgrounds in financial management and accounting as required by the CBN Code of corporate governance.

Corporate governance report

for the year ended 31 December 2024

Board Credit & Investment Committee

The Committee considers and approves loan applications within certain limits (as defined by the Board from time to time). The Committee endorses the approval of credit policies, proposals and changes to credit policies, standards, new products, processes and approving authorities subject to ratification of the full Board.

The Committee oversees the administration and effectiveness of, and compliance with, the Bank's credit policies. It does this by reviewing relevant processes, reporting on the recommendation of the Management and by any other means as it deems appropriate.

The Committee is chaired by Mr. Andrew Nweke, a Board representative of Norrenberger Investment Capital Management Limited. Mr. Nweke, an Electrical and Electronics Engineer by training, has gained extensive experience as an Investor through his membership on several Boards, across different sectors of the economy ranging from Marine Services, Oil & Gas, Real Estate and Finance and Engineering Infrastructure Design and Construction. Mr Nweke holds a Bachelor of Engineering (Electrical Electronics) degree from the University of Maiduguri.

Board Finance and General Purpose Committee

The Committee is responsible for reviewing and recommending to the Board on issues relating to the Bank's organisational structure, human resources strategy and policies relating to recruitment, and disengagement of staff at all levels, compensation benefits, and related issues of strategic importance that directly affect the Bank's ability to recruit, develop and retain the highly qualified staff needed for it to achieve its mandate.

The Committee is chaired by Ayuli Jemide. Mr Jemide is a renowned Nigerian Lawyer, with extensive experience in Investment and Finance through his membership on several Boards including Independent Director on Cardinal Stone Trustees Ltd, a former Non-Executive Director of the Nigerian Security Printing & Minting Company, and former Non-Executive Director of the Central Bank of Nigeria, amongst many other Boards. He previously served as Chairman, Nigerian Bar Association, Section on Business Law. Mr Jemide holds an undergraduate law degree from University of Benin, Nigeria, a BL degree from the Nigerian Law School, a Master of Laws degree from Northwestern University, USA, and several executive certificates.

Attendance at Board Committee Meetings

During the financial year ended 31 December 2024, directors' attendance at the Board and Board Committee meetings are shown below:

NAME OF DIRECTORS	BCIC	BF&GPC	BGR&NC	BA&RMC	BoD
	Number of meetings held: 1	Number of meetings held: 1	Number of meetings held: 3	Number of meetings held: 3	Number of meetings held: 2
Tanimu Yakubu Muhammad-Ja (NED)	N/A	✓	N/A	✓	✓
Ibrahim Aliyu (Chairman, BoD)	N/A	N/A	N/A	N/A	✓✓
Nkiru Chime(Ag.MD)	N/A	N/A	N/A	N/A	✓✓
Ivana Ivie Osagie (NED)	N/A	N/A	✓✓✓	✓✓✓	✓✓
Aliyu Jemide (NED)	✓	✓	N/A	N/A	✓✓
Andrew Nweke (NED)	✓	N/A	N/A	✓✓✓	✓✓
Ali Mohammed (NED)	N/A	✓	✓	N/A	✓
Mfon Usoro (INED)	N/A	N/A	✓✓✓	✓✓✓	✓✓

Key:

NED - Non-Executive Director
MD/CEO- Managing Director/Chief Executive Officer
ED - Executive Director
INED - Independent Non-Executive Director
BCIC- Board Credit and Investment Committee
BF&GPC - Board Finance and General Purpose Committee
BARMC - Board Audit and Risk Management Committee
BGRNC - Board Governance, Remuneration and Nominations Committee
BoD - Board of Directors

Code of ethics

The Infrastructure Bank Plc has a Code of Conduct, which specifies expected behaviour of its employees and Directors. The Code is designed to empower employees and Directors and enable effective decision making at all levels of the business, according to defined ethical principles. The Code requires that each Bank employee shall read the Code and sign a confirmation that he or she has understood the content.

The Bank's Staff Policy Manual provides guidelines for addressing violations or breaches and ensuring discipline enforcement for staff conduct. The Manual also has a Disciplinary Guide, which sets out examples of possible offences and violations and prescribes appropriate disciplinary measures. The Head, Corporate Services is responsible for the design and implementation of the Code of Conduct, while the Head, Internal Audit & Compliance is responsible for monitoring compliance. In meeting its mandate to provide sound governance structure for the Bank, the Board also approved a Directors Disclosure Policy, Succession Planning Policy, Corporate Governance Policy and Compliance Manual for the Bank.

The Company Secretary

The Company Secretary has the vital role of ensuring the Board and Management develop and implement good corporate governance standards. This ultimately contributes to the efficient and ethical functioning of the Bank.

Statement of directors' responsibilities in relation to the financial statements for the year ended 31 December 2024

The directors accept responsibility for the preparation of annual consolidated and separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The responsibilities include:

- (a) Properly selecting and applying accounting policies;
- (b) Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
Providing additional disclosures when compliance with the specific requirements are insufficient to enable users to
- (c) understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- (d) Making an assessment of the Group's ability to continue as a going concern;
Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose
- (e) with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the financial statements of the Group comply with the Group's accounting policies;
- (f) Designing, implementing and maintaining an effective and sound system of internal controls throughout the Group to minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws.
- (g) Maintaining statutory accounting records in compliance with the IFRS Accounting Standards;
- (h) Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- (i) Preventing and detecting fraud and other irregularities.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to prepare 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 believe that based on the plans stated in note 33, they have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Nasiru Isyaku
FRC/2013/ICAN/00000001129
Executive Director
24 April 2025



Aliyu Ibrahim Bala
FRC/2020/003/00000021459
Chairman, Board of Directors
24 April 2025

Report of the audit committee

To the members of **The Infrastructure Bank Plc:**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of The Infrastructure Bank Plc hereby report on the financial statements for the year ended 31 December 2024 as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act 2020 of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Group and Bank are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Group's internal control systems.
- We are satisfied that there were no insider related credits to be disclosed in compliance with the Central Bank of Nigeria Circular BSD/1/2004.
- We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their final audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.



Mrs. Mfon Usoro
Chairman, Statutory Audit Committee
FRC/2019/NBA/00000019919

24 April 2025

Members of the Statutory Audit Committee are:

1	Ms. Mfon Usoro	FRC/2019/NBA/00000019919	Chairman
3	Mr. Andrew Nweke	FRC/2022/PRO/DIR/003/618953	Member

In attendance:
Chienye Obiajulu - Company Secretary

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements for the year ended 31 December 2024

Further to the provisions of Section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director and Chief financial Officer, hereby certify the financial statements of The Infrastructure Bank Plc (TIB), for the year ended 31 December 2024 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of TIB Group for the year ended 31 December 2024.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate 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 TIB Group as of and for the year ended 31 December 2024.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the TIB Group is made known to the officer by other officers of the companies, during the year end 31 December 2024.
- e) That we have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Group's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Bank's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and have identified for the Group's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Group's internal control.



Nasiru Isyaku
FRC/2013/ICAN/00000001129
Executive Director
24 April 2025

Certification of management assessment on internal control over financial reporting for the year ended 31 December 2024

To comply with the provisions of Section 1.1 of SEC Guidance of implementation of Sections 60-63 of investments and Securities Act 2007 we hereby make the following statements regarding the Internal Controls of The Infrastructure Bank Plc for the year ended 31 December 2024.

I, Nasiru Isyaku, certify that:

- a) I have reviewed this management assessment on Internal Control over financial reporting of The Infrastructure Bank Plc.
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Nasiru Isyaku

ED Finance & Operations

FRC/2013/ICAN/00000001129

Management Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024

Management of The Infrastructure Bank Plc (“The Group” or the “Bank”) is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Infrastructure Bank’s system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Management has assessed the effectiveness of its internal control over financial reporting as of 31 December 2024. In making this assessment, management used the COSO 2013 “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of 31 December 2023, the Company’s internal control over financial reporting is designed and operating effectively. Additionally, based upon management’s assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of 31 December 2024.

The effectiveness of the Company’s internal control over financial reporting as of 31 December 2024, has been reviewed by Ernst and Young, an independent registered public accounting firm, as stated in their report which appears on page 18.



Nasiru Isyaku

Executive Director Finance & operations

FRC/2013/ICAN/00000001129

24 April 2025

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of *The Infrastructure Bank Plc*

Scope

We have been engaged by *The Infrastructure Bank Plc* ('the Bank') and its subsidiaries (together "the Group"), to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on The Infrastructure Bank Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in The Infrastructure Bank Plc Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by The Infrastructure Bank Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), The Infrastructure Bank Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

The Infrastructure Bank Plc's responsibilities

The Infrastructure Bank Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying The Infrastructure Bank Plc's *management's assessment*

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting – Continued

The Infrastructure Bank Plc's responsibilities- Continued

of the Internal Control over Financial reporting as of 31 December 2024 in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting – continued

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for The Infrastructure Bank Plc for the year ended 31 December 2024 and we expressed an unmodified opinion in our report dated 25 April 2025. Our conclusion is not modified in respect of this matter.



Oluwasayo Elumaro, FCA

FRC/2012/PRO/ICAN/004/
00000000139

For Ernst & Young

Lagos, Nigeria

25 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INFRASTRUCTURE BANK PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of The Infrastructure Bank (“the Bank”) and its subsidiaries (together “the Group”), which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Bank as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act (BOFIA), 2020, the Central Bank of Nigeria (CBN) guidelines and circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the 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 consolidated and separate 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 35 to the consolidated and separate financial statements, which indicates that as of 31 December 2024, the Group and the Bank's shareholders' funds were significantly below the minimum regulatory capital of ₦10 billion as required by the Central Bank of Nigeria (CBN) for Retail Development Finance Institutions (RDFIs) in Nigeria. As stated in Note 35 to the consolidated and separate financial statements, these events or conditions along with other matters as set forth in Note 35, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT-Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Investment properties</p> <p>Investment properties constitute a significant portion of the Group asset (40% of total assets (2023:40%) and Bank assets (46% of total assets (2023:40%)), and the associated fair value gain are significant to the financial statements.</p> <p>The investment properties are carried at fair value based on an appraisal by the Group's independent external valuers. Valuations are carried out annually by the Group in accordance with the group accounting policy.</p> <p>The valuation is underpinned by several estimates and assumptions as it requires the estimation of property yields, rental growth, occupancy, marketability, restrictions, and property management costs.</p> <p>A small change in these assumptions could have a significant impact on the valuation of properties and there is an associated fraud risk due to the risk of management override of controls relating to the valuation process.</p> <p>Refer to:</p> <ul style="list-style-type: none"> ▶ Note 3i - Material accounting policies -Investment properties. ▶ Note 10b - Fair value gain on investment properties ▶ Note 20 - Investment properties 	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"> ▶ Obtained an understanding of the entity's processes and controls related to the acquisition, valuation, and disposal of investment properties and evaluated the design and implementation of these controls. ▶ Examined the entity's accounting policies for investment properties to ensure compliance with relevant accounting standards, such as IAS 40, and assessed the appropriateness of the valuation methods used. ▶ assessed the valuation models used by the entity, including assumptions and inputs, and verified the accuracy and consistency of the models. ▶ performed substantive procedures to test the fair value measurements of investment properties, comparing the entity's valuations to independent market data and benchmarks. ▶ assessed the impact of current market conditions on the valuation of investment properties and considered any significant changes in market conditions that may affect valuations.

	<ul style="list-style-type: none"> reviewed the accuracy and completeness of disclosures related to investment properties in the financial statements to ensure compliance with IAS 40 - <i>Investment Properties</i>.
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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “The Infrastructure Bank Plc and Subsidiary Companies Annual Report for the year ended 31 December 2024”, which includes the Corporate Information, Chairman’s Statement, Chief Executive Officer’s Statement, Directors’ Report, Corporate Governance Report, Statement of Directors’ Responsibilities in relation to the preparation of the Consolidated and Separate Financial Statements, Report of the Audit Committee, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Certification of Management Assessment on Internal Control over Financial Reporting, Management Report on the Assessment of Internal Control Over Financial Reporting, and Other National Disclosures as required by the Companies and Allied Matter Act, 2020, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act (BOFIA), 2020, the Central Bank of Nigeria (CBN) guidelines and circulars and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group’s and 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 Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT-Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group and/or the Bank to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT-Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and the Bank, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

INDEPENDENT AUDITOR'S REPORT-Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

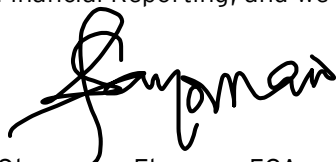
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Bank and its subsidiaries.

In compliance with the Banks and Other Financial Institutions Act, 2020, and circulars issued by Central Bank of Nigeria, we confirm that:

- Related party transactions and balances are disclosed in Note 30 to the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular No. BSD/1/2004.
- The Bank paid penalties within the period in respect of contraventions of certain sections of the Bank and Other Financial Institutions Act, 2020 and circulars issued by Central Bank of Nigeria during the year ended 31 December 2024.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Bank's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 25 April 2025.



Oluwasayo Elumaro, FCA
FRC/2012/PRO/ICAN/004/00000000139
For Ernst & Young
Lagos, Nigeria

25 April 2025



The opinion expressed in these Consolidated and separate financial statements is to enable the Bank to comply with the regulatory requirements for the submission of its financial statements to the central Bank of Nigeria (CBN). Consequently, these financial statements should not be distributed or made available to any third party in whole or in part pending the final approval by CBN and subsequent auditor's opinion thereon.

Consolidated and separate statements of profit or loss and other comprehensive income
for the year ended 31 December 2024

<i>In thousands of Naira</i>	Notes	Group 2024	Group 2023	Bank 2024	Bank 2023
Gross earnings	8	1,665,875	1,946,770	1,662,242	1,917,642
Interest income calculated using effective interest method	8(a)	4,957	18,657	1,324	13,540
Net interest income		4,957	18,657	1,324	13,540
Fees and commission income	9(a)	931,151	646,350	931,151	646,350
Fees and commission expenses	9(b)	(41,388)	-	(41,388)	-
Other income	10	91,647	847,947	91,647	823,936
Fair value gain on investment properties	10(b)	638,120	433,816	638,120	433,816
Operating income		1,624,487	1,946,770	1,620,854	1,917,642
Impairment (charge)/writeback on financial assets	12	(2,715)	(2,809,001)	(2,715)	63,873
Net operating income/(loss) after impairment charges		1,621,772	(862,231)	1,618,139	1,981,515
Personnel expenses	11(b)	(212,140)	(294,035)	(212,140)	(294,035)
Depreciation and amortisation	11(a)	(27,193)	(7,887)	(27,193)	(7,887)
Other operating expenses	11(d)	(481,588)	(271,570)	(468,448)	(267,894)
Finance cost	11(e)	(37,449)	(14,075)	(37,449)	(14,075)
Total expenses		(758,371)	(587,567)	(745,230)	(583,891)
Operating profit/(loss)		863,401	(1,449,798)	872,909	1,397,624
Profit/(loss) before income tax expense		863,401	(1,449,798)	872,909	1,397,624
Income tax (expense)/credit	13(a)	(16,309)	91,202	(16,309)	92,144
Profit/(loss) for the year		847,092	(1,358,596)	856,600	1,489,768
Other comprehensive income, net of income tax					
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation gain on property and equipment	21	-	120,000	-	120,000
Tax impact on revaluation gain	13(b)	-	12,000	-	12,000
Total comprehensive income/(loss) for the year net of tax		847,092	(1,226,596)	856,600	1,621,768
Profit/(loss) attributable to:					
Equity holders of the Bank	30(d)	850,374	(1,346,846)	856,600	1,489,768
Non-controlling interests	30(f)	(3,282)	(11,750)	-	-
Profit/(loss) for the year		847,092	(1,358,596)	856,600	1,489,768
Total comprehensive (loss)/income attributable to:					
Equity holders of the Bank	30(d)	850,374	(1,214,846)	856,600	1,621,768
Non-controlling interests	30(f)	(3,282)	(11,750)	-	-
Total comprehensive income/(loss) for the year		847,092	(1,226,596)	856,600	1,621,768
Earnings/(loss) per share					
Basic earnings/(loss) per share (kobo)	14	7	(22)	-	-
Diluted earnings/(loss) per share (kobo)	14	7	(22)	-	-

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

Consolidated and separate statements of financial position
as at 31 December 2024

<i>In thousands of Naira</i>	<i>Notes</i>	Group	Group	Bank	Bank
		31 December	31 December	31 December	31 December
		2024	2023	2024	2023
Assets					
Cash and cash equivalents	15	3,299,232	3,476,202	3,042,157	3,253,536
Fee income receivables	17	47	2,715	-	2,715
Other assets	18(a)	106,813	57,961	115,807	88,881
Investment in subsidiaries	19	-	-	137,843	137,843
Investment properties	20	3,378,120	2,740,000	3,378,120	2,740,000
Property and equipment	21	597,646	555,601	597,646	555,601
Intangible assets	22	31,202	17,001	31,202	17,001
Total assets		7,413,060	6,849,481	7,302,775	6,795,577
Liabilities					
Borrowings	23(a)	487,449	450,000	287,449	250,000
Provisions and accruals	24	24,602	135,805	18,477	134,048
Employee benefits	25	115,681	102,761	115,681	102,761
Current tax liabilities	13(d)	85,679	69,366	84,782	68,473
Deferred tax liabilities	13(b)	310,000	286,000	310,000	286,000
Other liabilities	26	4,232,003	4,470,995	3,436,193	3,736,703
Deposit for shares	27	35,070	3,035,070	-	3,000,000
Total liabilities		5,290,484	8,549,997	4,252,582	7,577,985
Equity					
Share capital	30(a)	6,103,000	3,103,000	6,103,000	3,103,000
Capital contribution reserve	30(b)	1,391,230	1,391,230	1,391,230	1,391,230
Revaluation reserve	30(c)	1,289,181	1,313,181	1,289,181	1,313,181
Accumulated losses	30(d)	(7,966,144)	(8,816,518)	(5,733,218)	(6,589,818)
Total surplus/(deficit) attributable to owners of the Bank		817,267	(3,009,107)	3,050,193	(782,407)
Non controlling interests	30(f)	1,305,309	1,308,591	-	-
Total equity/(deficit)		2,122,576	(1,700,516)	3,050,193	(782,407)
Total liabilities and equity		7,413,060	6,849,481	7,302,775	6,795,577

The financial statements were approved by the Board of Directors on 24 April 2025 and signed on its behalf by:



Nasiru Isyaku
FRC/2013/ICAN/00000001129
Executive Director



Aliyu Ibrahim Bala
FRC/2020/003/00000021459
Chairman, Board of Directors

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

Consolidated statement of changes in equity*for the year ended 31 December 2024*

Group		Attributable to equity holders of the Bank						
		Share capital	Capital contribution reserve	Revaluation reserve	Accumulated losses	Total	Non controlling interests	Total equity
<i>In thousands of Naira</i>								
Balance at 1 January 2024		3,103,000	1,391,230	1,313,181	(8,816,518)	(3,009,107)	1,308,591	(1,700,516)
Profit for the year	28	-	-	-	850,374	850,374	(3,282)	847,092
Other comprehensive income:		-	-	-	-	-	-	-
Correction of prior year tax impact on revaluation gain		-	-	(24,000)	-	-	-	(24,000)
Total comprehensive income/(loss)		-	-	(24,000)	850,374	850,374	(3,282)	847,092
Transactions directly affecting shareholders:								
Issue of share capital	30(a)	3,000,000	-	-	-	3,000,000	-	3,000,000
Balance at 31 December 2024		6,103,000	1,391,230	1,289,181	(7,966,144)	841,267	1,305,309	2,122,576
Balance at 1 January 2023		3,103,000	1,391,230	1,181,181	(7,469,672)	(1,794,261)	1,320,341	(473,920)
Loss for the year	28	-	-	-	(1,346,846)	(1,346,846)	(11,750)	(1,358,596)
Other comprehensive income:		-	-		-	-	-	-
Revaluation gain on property and equipment	20	-	-	120,000	-	120,000		120,000
Tax impact on revaluation gain		-	-	12,000	-	12,000		12,000
Total comprehensive income/(loss)		-	-	132,000	(1,346,846)	(1,226,846)	(11,750)	(1,226,596)
Balance at 31 December 2023		3,103,000	1,391,230	1,313,181	(8,816,518)	(3,009,107)	1,308,591	(1,700,516)

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

Separate statement of changes in equity
for the year ended 31 December 2024

Bank

<i>In thousands of Naira</i>	<i>Notes</i>	Share capital	Capital contribution reserve	Revaluation reserve	Accumulated losses	Total equity/(deficit)
Balance at 1 January 2024		3,103,000	1,391,230	1,313,181	(6,589,818)	(782,407)
Profit for the year	30(d)	-	-	-	856,600	856,600
Other comprehensive income:	30(c)	-	-	-	-	-
Correction of prior year tax impact on revaluation gain		-	-	(24,000)	-	(24,000)
Total comprehensive income		-	-	(24,000)	856,600	832,600
Transactions directly affecting shareholders:						
Issue of share capital		3,000,000				3,000,000
Balance at 31 December 2024		6,103,000	1,391,230	1,289,181	(5,733,218)	3,050,193
Balance at 1 January 2023		3,103,000	1,391,230	1,181,181	(8,079,586)	(2,404,175)
Profit for the year	30(d)	-	-	-	1,489,768	1,489,768
Other comprehensive income:	30(c)	-	-	-	-	-
Revaluation gain on property and equipment	20	-	-	120,000	-	120,000
Tax impact on revaluation gain	13(b)	-	-	12,000	-	12,000
Total comprehensive income		-	-	132,000	1,489,768	1,621,768
Balance at 31 December 2023		3,103,000	1,391,230	1,313,181	(6,589,818)	(782,407)

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

Consolidated and separate statements of cash flows
for the year ended 31 December 2024

<i>In thousands of Naira</i>	Notes	Group 2024	Group 2023*	Bank 2024	Bank 2023*
Cash flows from operating activities					
Cash flows (used in)/from operations	29	(98,940)	3,042,527	(129,708)	3,043,947
Interest received		3,641	15,573	-	10,459
Income tax paid	13(d)	-	(74)	-	-
Net cash flows (used in)/from operating activities		(95,299)	3,058,026	(129,708)	3,054,406
Cash flows from investing activities					
Purchase of property and equipment	21	(63,033)	(32,987)	(63,033)	(32,987)
Proceeds from disposal of property and equipment	10	1,787	1,465	1,787	1,465
Purchase of intangible assets	22	(21,053)	(15,923)	(21,053)	(15,923)
Net cash flows used in investing activities		(82,299)	(47,445)	(82,299)	(47,445)
Cash flows from financing activities					
Interest repayment of borrowings	23(b)	-	(14,025)	-	(35,832)
Proceeds from borrowings during the year	23(b)	-	250,000	-	250,000
Net cash flows generated from financing activities		-	235,975	-	214,168
Net (decrease)/increase in cash and cash equivalents		(177,598)	3,246,556	(212,007)	3,221,129
Cash and cash equivalents, beginning of year		3,476,202	229,646	3,253,536	30,212
Effect of foreign exchange on cash and cash equivalents		628	3,295	628	2,195
Cash and cash equivalents, end of year	15	3,299,232	3,476,202	3,042,157	3,253,536

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

**2023 numbers were impacted by reclassification, See Note 37*

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

1 Reporting entity

The Infrastructure Bank Plc ("the Bank") is a bank domiciled in Nigeria. It was formerly called the Urban Development Bank of Nigeria Plc and was established by Act No. 51 of 1992. The Bank's name was changed from Urban Development Bank of Nigeria Plc to The Infrastructure Bank Plc by a special resolution effective 27 June 2011. The address of the Bank's registered office is Plot 977, Central Business District, Abuja F.C.T. Nigeria.

These consolidated financial statements comprise the Bank and its subsidiaries (together referred to as "the Group"). The Bank was established to foster rapid development of infrastructure across the Federation of Nigeria through the provision of finance and banking services.

The Bank assumes a niche position in the Nigerian financial services landscape, interfacing between the market for public sector lending and private sector infrastructure project financing, and the market for long term financial instruments and securities.

The Bank is a development finance partner and financial facilitator; structurally and functionally complimentary to the commercial Banking sector and the needs of public and private sector infrastructure development promoters.

2 (i) Basis of preparation

(a) Statement of compliance

These consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 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.

The consolidated and separate financial statements were authorised for issue by the Bank's Board of Directors on 24 April 2025. The accounting policies which were consistently applied by the Bank for all periods presented in these consolidated and separate financial statements are included on the pages that follow.

(b) Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the functional currency of the Bank. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Use of estimates and judgments

In preparing these consolidated and separate 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 accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 5.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in Note 5.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2024 is included in following notes:

- Note 5(a)(i): Measurement of expected credit losses
- Note 5(a)(ii): Impairment of non financial asset: key assumptions used in estimating recoverable cash flows.
- Note 5(b)(i): Recognition of deferred tax assets

3 Material accounting policy information

(a) Basis of Consolidation

(i) Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In the separate financial statements of the Group, investments in subsidiaries are accounted for at cost less allowance for impairment.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

(iv) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) **Business combination**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(vi) **Step acquisition of an associate**

When the Group gains control of an equity-accounted investee, the equity interest previously held in the acquiree which qualified as an associate under IAS 28-*Investment in Associates and Joint Ventures* is treated as if it were disposed of and re-acquired at fair value on the acquisition date. Accordingly, it is remeasured to its acquisition date fair value, and any resulting gain or loss compared to its carrying amount under IAS 28-*Investment in Associates and Joint Ventures* is recognised in profit or loss. Any amount that has previously been recognised in other comprehensive income, and that would be reclassified to profit or loss following a disposal, is similarly reclassified to profit or loss; and goodwill (or a gain from a bargain purchase) is measured as shown in (vii) below.

(vii) **Goodwill or a gain on bargain purchase**

Goodwill is measured as a residual cost of a business combination after recognising the acquiree's identifiable assets, liabilities and contingent liabilities and is recognised as an asset. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. When the residual is a deficit (gain on a bargain purchase), it is recognised in profit or loss after reassessing the values used in the acquisition accounting.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

(b) **Foreign currency**

(i) **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary item is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date on which the fair value is determined.

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

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

(c) **Financial instruments**

(i) **Recognition and initial measurement**

The Group initially recognises loans and advances and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

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

(ii) **Classification**

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised 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.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group only has financial assets at amortised cost currently in its books. A classification of the Group's financial instruments is disclosed in Note 4(c)(ii) to the financial statements.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

Business model assessment

The Group 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:

- 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- 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;
- how managers of the business are compensated, e.g. Whether compensation is based on the fair value of the asset managed or the contractual cashflows collected; and
- 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 Group's stated objective for managing the financial assets is achieved and how cashflows are realised.

Assessment 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 cashflows are solely payments of principal and interest, the Group 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 cashflows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent assets that would change the amount and timing of cashflows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension items
- terms that limit the Group's claim to the cashflows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify the consideration of time value of money e.g. periodical reset of interest rates.

(iii) **Reclassifications**

(a) **Financial assets**

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

(b) **Financial Liabilities**

The Group classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

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(iv) **Derecognition**

Financial assets

The Group derecognises a financial asset when the contractual right to the cash flow from the Financial assets expire or it transfers the right to receive the contractual cash flow in a transaction in which the substantially all the risks and rewards of the ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) 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 recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at fair value through other comprehensive income is not recognised in the 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 Group is recognised as a separate asset or liability.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) **Modification of financial assets and financial liabilities**

Financial assets

If the terms of a financial asset are modified, then the Group 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 recognised at fair value plus any eligible transaction costs.

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 Group 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. 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 amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. 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.

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Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Interest rate benchmark reform (policy applied from 1 January 2021)

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Group updated 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 were 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, the Group first updated 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 Group applied the policies on accounting for modifications to the additional changes.

(vi) **Offsetting**

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

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

(vii) **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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group 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.

Notes to the consolidated and separate financial statements
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(vii) **Fair value measurement - continued**

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that the 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 Group 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 measurement, 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 recognised 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.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value.

If an asset or a liability measured at fair value has a bid price and ask price, then the Group 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 Group 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.

(viii) **Impairment**

The Group recognises loss allowances for ECL on:

- financial assets measured at amortised cost;
- debt investments measured at fair value through other comprehensive income

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

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Notes to the consolidated and separate financial statements
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(viii) **Impairment - continued**

The Group 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 Group does not apply the low credit risk exemption to any other financial instruments.

12-months ECL are the portion of 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 a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instruments. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

An impairment loss is calculated as the difference between an asset's carrying amount and exposure at default multiplied by the loss given default and the probability of default.

The exposure at default is an estimate of the exposure at a future default date, it considers the principal and interest due as at the reporting date. Exposure at default in the ECL calculation is the initial cost at purchase and subsequently, the carrying value of the asset as at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. 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 being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter Bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are charged to profit and loss and deducted from the gross carrying amount of the assets.

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(ix) **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 Group 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 recognised 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 Group's procedures for recovery of amounts due.

(d) **Impairment of non-financial assets**

The carrying amounts of the group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) **Share capital**

(i) **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(ii) **Capital Contribution reserve**

Capital contribution reserve represents contribution by the Federal Government of Nigeria (FGN) in form of budgetary allocations in its capacity as a shareholder to meet salaries arrears for staff. These represents contributions made by the Federal Government of Nigeria in its capacity as a sponsor of the bank.

(f) **Leases**

At inception of a contract, the Group 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

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(i) Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

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(ii) **As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'. Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

(g) **Property and equipment**

(i) **Recognition and measurement**

All items of property and equipment except leasehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Leasehold land is initially measured at cost and subsequently at fair value less any subsequent accumulated impairment losses. The Group reviewed the useful life of its leasehold land assets and discontinued depreciation on the basis that the useful life has now been reassessed as unlimited. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Furthermore, if an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of items of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised within other income in profit or loss.

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(i) **Recognition and measurement - continued**

When items of property and equipment are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

(ii) **Subsequent costs**

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

(iii) **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

land assets are not depreciated	
Building	50 years
Computer hardware and equipment	3 years
Furniture and fittings	5 years
Motor vehicles	4 years
Office equipment	3 years

Capital work in progress is not depreciated. Upon completion, it is transferred to the relevant asset category.
Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) **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 Derecognition 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.

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(h) **Intangible assets**

(h).1 **Intangible assets acquired separately**

(i) **Initial recognition and measurement**

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment

(ii) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive income as incurred.

(iii) **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods is five (5) years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) **Derecognition**

Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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.

(i) **Investment Properties**

Investment properties comprise office buildings leased out under operating lease agreements and leasehold land held for capital appreciation. Some properties are partially occupied by the Bank, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Bank can be sold separately, the Bank accounts for the portions separately. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Bank considers the owner-occupied portion as insignificant when the property is more than 70% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Bank uses the size of the property measured in square metre.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the statement of financial position.

It is the Bank's policy to carry out revaluation of Investment properties every three years, with annual desk review to determine the Fair Value of Investment Properties being carried in the Bank's Books.

Gains or losses arising from changes in the fair value of investment properties are included in the statement of comprehensive income in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

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(j) **Employee benefits**

(a) **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as an employee benefit expense in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Group has no further payment obligations once the contributions have been paid.

The Group operates a defined contribution pension scheme as stipulated in the Pension Reform Act 2014. Employees are entitled to join the scheme on commencement of employment. Employees contribute 8% each while the Group contributes 10% of the employee's annual basic salary, housing and transport allowances respectively.

Employee contributions are funded through payroll deductions while the Group's contribution is expensed in profit or loss. Contributions under this scheme are remitted to the individuals' Pension Fund Administrator.

(b) **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group 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.

(c) **Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

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(k) Provisions

A provision is recognised if, as a result of a past event, the Group 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. The unwinding of the discount is recognised as finance cost.

(l) Revenue

(i) Fee and commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Fee and commission revenue, including administrative fees, processing fees, monitoring fees and transaction advisory fees are recognised as the related services are performed.

Fees and commission expenses included in net fee and commission revenue are mainly transaction and service fees which are expensed as the services are received.

(a) Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Project advisory fees	These are fees for project advisory services performed by the Group for the Customers. The fees are based on the specifics of each project.	Revenue is recognised over time as the services are provided.
Processing and administrative fees	These are upfront fees paid by the borrower to cover the Group's expenses arising from the initial processing and disbursement of loans. These include documentation, background checks, verification, credit checks, and other processing and administrative activities prior to disbursement of loans. The fees are calculated based on a fixed percentage of the value of loans disbursed.	Revenue is recognised at the point in time when the loan is disbursed to the customer.
Monitoring fees	These are upfront fees paid by the borrower to cover the Group's monitoring activities on loans disbursed. The fees are calculated based on a fixed percentage of the value of loans disbursed.	Revenue is recognised over time as the services are provided.

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(ii) **Interest income and interest expense**

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

The calculation of effective interest rate includes transactions cost and fees and points 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 financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, the calculation of interest income reverts to the gross basis.

Interest income of the Group comprises interest income on cash and cash equivalents and interest income on loans given to customers.

Interest expense of the Group comprise interest expense on borrowings.

(m) **Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

(i) **Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

(ii) **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has been possible that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

(n) **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 recognised on an accrual basis regardless of the time of actual outflow. Expenses are recognised in the income statement when a decrease in future economic benefit relating to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Expenses are measured at historical cost. Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognised as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognised as an expense when the associated income is earned.

Expenses incurred in the general running of the subsidiaries are expensed in the consolidated financial statements.

(o) **Other income**

Other income includes rental income and other sundry income. Rental income from owner occupied property is recognised in profit or loss on a straight line basis over the term of the lease.

(p) **Earnings per share**

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

(q) **Fiduciary activities**

The Group acts as fund managers to the Public Mass Transit Revolving Fund, now known as Move Nigeria Fund, established by the Federal Government. The role of the Group is to roll out the fund through on-lending on concessionary rates to eligible operators to acquire vehicles which shall be used for mass transit, with a mid plan to grow the fund and make it self-sustaining. The Group manages the funds for the purposes in line with the terms of the agreement. The value of the liability as at reporting date are disclosed in the financial statements (see Note 30). The amounts of the liability under custody are recognised at cost.

Fees and commissions earned from providing such services are determined in line with the agreement between the Group and the Federal Government of Nigeria for which the Group holds its assets.

(r) **Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, as well as key management personnel.

Transactions between the Group and its subsidiaries meet the definition of related party transactions. These transactions are eliminated on consolidation and not disclosed in the consolidated financial statements.

In general, transactions with related parties are accounted for in accordance with the standards applicable to such transactions.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

4 Changes in accounting policies and disclosures:

4.1

New standards and amendments;

In the current year, the Company has applied a number of amendments to IFRS accounting standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

i. Lease liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment is effective for annual reporting periods beginning on or after 1 January 2024 and applies to seller lessee. A sellerlessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application).The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. Earlier application is permitted, and that fact must be disclosed. This amendment had no impact on the financial statements for the year ended 31 December 2024.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

ii. **Classification of Liabilities as Current or Non-current Amendments to IAS 1**

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- i. What is meant by a right to defer settlement
- ii. That a right to defer must exist at the end of the reporting period
- iii. That classification is unaffected by the likelihood that an entity will exercise its deferral right
- iv. That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current. If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions. In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement.

Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The adoption of this amendment is not expected to impact on the results of the Bank, but may result in more disclosure than is currently provided in the annual financial statements.

iii. **Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7**

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. This amendment had no impact on the financial statements for the year ended 31 December 2024.

4.2 New and revised IFRS Standards in issue but not yet effective

Certain new standards, amendments to standards and interpretations have been published that are not yet effective for the financial year ended 31 December 2024 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is as stated below:

i. **IFRS 18 – Presentation and Disclosure in Financial Statements**

IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed. In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. The impact assessment of the amendments is still on going.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

ii. **IFRS 19 – Subsidiaries without Public Accountability: Disclosure**

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise. In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance. Eligible entities: An entity may elect to apply IFRS 19 if at the end of the reporting period; It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements; It does not have public accountability; and It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS Accounting Standards. The standard will not have impact on the Group and Bank when it become effective.

iii. **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28**

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendment will not have impact on the Group and the Bank when it become effective.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

iv. **Lack of exchangeability – Amendments to IAS 21**

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. The impact assessment of the amendments is still on going.

v. **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**

Effective for annual periods beginning on or after 1 January 2026. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

This amendment clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Clarifies the treatment of non-recourse assets and contractually linked instruments. Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. The impact assessment of the amendments is still on going.

vi. **Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7**

In December 2024, the Board issued Amendments to IFRS 9 and IFRS 7). The amendments include:

- i. Clarifying the application of the 'own-use' requirements
- ii. Permitting hedge accounting if these contracts are used as hedging instruments
- iii. Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments to IFRS 9 and IFRS 7 are not expected to have an impact on the Group and the Bank.

vii **Annual Improvements to IFRS Accounting Standards**

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. These annual improvements are not expected to have an impact on the Group and the Bank.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

5 Use of judgments and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed and in any future period affected.

Management discusses with the Board of Directors the development, selection and disclosure of the Group's critical accounting policies and their application, as well as assumptions made relating to estimation uncertainties. Information about assumptions, estimation and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed below:

(a) Key sources of estimation uncertainty

(i) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 5(i).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL,

- Determining criteria for significant increase in credit risk
- Determining the credit risk grades
- Generating the term structure of the probability of default;
- Determining whether credit risk has increased significantly;
- Incorporation of forward-looking information;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(ii) *Impairment losses on non-financial assets*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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

(iii) *Valuation of financial instruments*

The Group measures fair values using the following fair value hierarchy which reflects the significance of the

- Level 1: Inputs that are quoted market prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs 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 similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The objective of valuation technique 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.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

(b) Critical accounting judgments in applying the Group's accounting policies

Critical accounting judgments made in applying the Group's accounting policies include:

(i) *Recognition of deferred tax assets*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes to the consolidated and separate financial statements

for the year ended 31 December 2023

(c) Going Concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

(d) Fair value measurement

Financial instruments not measured at fair value

The Group has determined that for financial instruments that (a) have a short-term maturity (less than three months) except for borrowings, (b) are liquid and (c) are floating rate instruments, their carrying amounts (which are net of impairment) are a reasonable approximation of their fair value

Group

31 December 2024

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial assets:						
Cash and Cash equivalents	15	-	3,299,232	-	3,299,232	3,299,232

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial liabilities:						
Borrowings	23(a)	-	-	487,449	487,449	487,449

31 December 2023

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial assets						
Cash and Cash equivalents	15	-	3,476,202	-	3,476,202	3,476,202

Notes to the consolidated and separate financial statements

for the year ended 31 December 2024

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial liabilities:						
Borrowings	23(a)	-	-	450,000	450,000	450,000

Bank
31 December 2024

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial assets						
Cash and Cash equivalents	15	-	3,042,157	-	3,042,157	3,042,157

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial liabilities						
Borrowings	23(a)	-	-	287,449	287,449	287,449

31 December 2023

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial assets						
Cash and Cash equivalents	15	-	3,253,536	-	3,253,536	3,253,536
		-	3,253,536	-	3,253,536	3,253,536

	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<i>In thousands of Naira</i>						
Financial liabilities						
Borrowings	23(a)	-	-	250,000	250,000	250,000
		-	-	250,000	250,000	250,000

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

6 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Operational risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Infrastructure Bank (TIB) Plc Board is responsible for managing all risks associated with the operations of the Group, whilst management has responsibility for implementing and managing all policies and procedures approved by the Board to act as mitigants against specific risks.

The Group's risk management policies are established to ensure that risks arising from the Group's business are properly identified, evaluated, managed and monitored in line with the Group's risk appetite and also in order to assist the achievement of the Group's strategic goals and protect its franchise, brand and assets. Risk management policies and systems are reviewed regularly to recognise both new and emerging risks in the Group's activities.

The main objective of Enterprise risk management in TIB is to minimise losses, maximise efficiency and reduce earnings volatility. The risk framework runs on a platform of policies and processes that can proactively identify, measure, manage, control, monitor and report on enterprise risk exposures in the Group on an integrated basis.

TIB also has in place a framework of core values, standards and controls, a code of conduct and delegated authorities by which all staff are bound. The Board regularly addresses risks attached to business activities and there exists a feedback loop through the management team.

The Risk management policies and procedures are based on the premise that the Group can perform its trade and economic developmental roles using commercial approaches while operating within its chosen risk tolerance levels.

The Group's risk management framework is aimed at four key objectives:

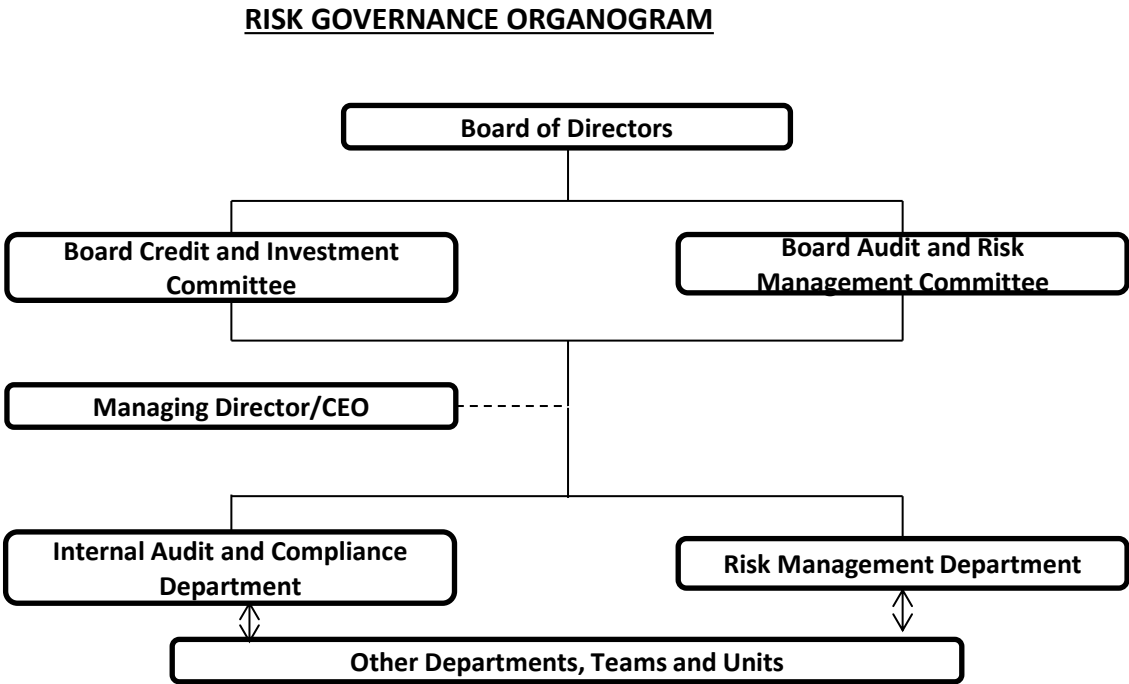
- (a) Achieving the strategic goals derived from the Group's strategic plans;
- (b) Operational efficiency in the form of effective and efficient use of the Group's resources;
- (c) Ensuring reliability and timeliness of reporting relevant financial and non-financial information; and
- (d) Ensuring compliance with applicable laws, conventions, guidelines and regulations.

The Infrastructure Bank Plc's risk management framework has the following components:

- **The Internal environment** - This covers the way risk is viewed by the Board, Management and Staff derived from its operation in a difficult environment, the ethical standards, values and commitment to excellence that have been established over the years;
- **Setting objectives**-This covers the Group's strategic plan, which shapes the strategic goals and objectives of the Group;
- **Event Identification** -This is the identification of potential internal and external factors and/or events likely to affect the attainment of the Group's objectives;
- **Risk assessment** -This covers the assessment of the risks (inherent and residual) to the attainment of the Group's objective arising from a mix of potential future events;
- **Risk response** -This covers the various responses that may be triggered by an unexpected occurrence of a material risk event based on the Group's risk appetite. The responses may take the form of avoidance, acceptance, reducing or sharing risks;
- **Information and communication** - This covers the arrangement for the capture and timely dissemination of relevant internal and external information to enable staff and the board carry out their responsibilities;
- **Control activities** - This covers the plans, policies, procedures and reporting requirements, which are the main instruments of control under the risk management framework; and
- **Monitoring** -This covers the regular monitoring and reporting of risk management deficiencies to appropriate authorities so that the Group can react swiftly as circumstances warrant.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

RISK GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

The Board of Directors is the apex governing body of the Group and is responsible for credit policy formulation in the Group.

Board Audit and Risk Management Committee

The Board Audit and Risk Management Committee has the oversight function of insulating the Group from operational and lending risks.

The Committee has the following membership:

1 Mrs Mfon Usoro	-	Chairman
2 Ms. Ivana Osagie	-	Member
3 Mr Andrew Nweke	-	Member

The Risk Management roles and responsibilities of the Committee includes the following:

- To conduct at least annually, a thorough risk assessment covering all aspects of the Group's business. The results of the risk assessment are used to update the risk management framework of the Group;
- To review the adequacy and effectiveness of risk management and controls;
- To oversee management's process for the identification of significant risks across the Group and the adequacy of prevention, detection and reporting mechanisms;
- To periodically review changes in the economic and business environment, including emerging trends and other factors relevant to the Group's risk profile;
- To review and recommend for approval of the Board, risk management procedures and controls for new products and services;
- To obtain and review periodically relevant reports to ensure the ongoing effectiveness of the Group's risk management framework;
- To review and approve the Group's risk management policy including risk appetite and risk strategy;
- To establish a management framework that defines the Group's risk policy, risk appetite and risk limits - (the framework is formally approved by the Board);
- To ensure that the risk management framework is integrated into the day-to-day operations of the business and provide guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology and compliance risk;
- To review the Group's compliance level with applicable laws and regulatory requirements, which may impact the company's risk profile;
- To ensure that the Group's risk management policies and practices are disclosed in the annual report;
- To render periodic reports to the Board on the Groups' risk management practices, internal controls and level of compliance with regulatory directives; and
- To ensure that the internal control system of the Group is documented and designed to achieve efficiency, effectiveness of operations and reliability of financial reporting.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

The Audit Roles and responsibilities of the Committee includes the following:

- a. To assist in the oversight of the integrity of the Group's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor, and performance of the Group's internal audit function as well as that of external auditors;
- b. To discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors;
- c. To review the integrity of the Group's financial reporting and oversee the independence and objectivity of the external auditors;
- d. To have access to external auditors to seek explanations and additional information without management presence;
- e. To ensure the development of a comprehensive internal control framework for the Group, obtain assurance and report annually in the financial report, on the operating effectiveness of the Group's internal control framework;
- f. To oversee management's process for the identification of significant fraud risks across the Group and ensure that adequate prevention, detection and reporting mechanisms are in place;
- g. To at least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the Group;
- h. To discuss policies and strategies with respect to risk assessment and management;
- i. To meet separately and periodically with management, internal auditors and external auditors;
- j. To review and ensure that adequate whistle-blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman;
- k. To review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same;
- l. To review the independence of the external auditors and ensure that where non-audit services are provided by the external auditors, there is no conflict of interest;
- m. The Committee Chairman shall review a summary of reported cases, cases investigated, the process of investigation and the result of the investigation;
- n. To establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the Group;
- o. To approve the purpose, authority and responsibility of the internal auditing activity, which should be clearly and formally defined in an audit charter. This charter should be consistent with the definition of internal auditing by the Institute of Internal Auditors (IIA); and
- p. To review at audit committee meetings, the quarterly internal audit reports on the adequacy and effectiveness of management, governance, risk and control environment, deficiencies observed and management's mitigation plans.

Board Credit & Investment Committee

The Board Credit and Investment Committee is charged with the responsibility of evaluating and approving all credits beyond the powers of the Management and below the powers of the Board.

The committee has the following members:

1 Mr. Andrew Nweke	-	Chairman
2 Mr. Aliyu Jemide	-	Member
3 Mr. Tanimu Yakubu Muhammad-Ja	-	Member
4 Mr. Ali Mohammed	-	Member

The roles and responsibilities of the Board Credit and Investment Committee include the following:

- a. To review and set credit strategy and policy;
- b. To review and approve credit policy and risk management manual. This includes providing clear guidelines on:
 - i. Maximum exposure limits for: Single obligors names based on the rating; Geographic areas; Sectors and Excess conditionalities.
 - ii. Capital requirements and minimum spread per type of exposure;
 - iii. Analytical process to be followed;
 - iv. Contingent liabilities relating to guarantees available to third parties in respect of projects;
 - v. Monitoring systems;
 - vi. Default procedures; and
 - vii. Recovery process.
- c. To recommend a financial delegation level for the Credit and Investment Committee to the Board;
- d. To ensure that the Management as well as individuals responsible for credit risk management, possess the requisite expertise and knowledge to accomplish the risk management function;
- e. To approve all material aspects of rating and estimation processes;
- f. To be involved in capital planning and establish a strong internal credit control culture;
- g. To review and approve approval authorities to individuals and committees;

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for the year ended 31 December 2024

- h. To review and recommend to the Board facilities and Investments that are beyond management (Management and Peer Review Meetings -MPRM & Management and Investment Decision Meetings -MIDM) approval limits;
- i. To approve exceptions/write-offs, waivers and discounts on non-performing credit facilities within specified limits;
- j. To ensure that all credits and investments are as per delegated amount from time to time or all credits and investments must be presented to the Board Credit and Investment Committee (it is important that this occurs prior to substantial commitments of resources and in principle commitment on non-standard types of project);
- k. To define expenses approval limits for business development and special projects (this does not involve operational/day to day expenses);
- l. To approve the Groups and institutions and the limits per institution and the ratings and other conditions where excess capital may be invested;
- m. To ensure that the approved and appropriate credit and risk management policies, processes and methodologies, disbursements, recoveries & remedial actions etc. are applied to manage the various risks and credits to which the Group may be exposed;
- n. To endorse the approval of credit policies, proposals and changes to credit policies, standards, new products, processes and approving authorities subject to the ratification of the full Board;
- o. To ensure compliance with the Group's credit policies and statutory requirements prescribed by the regulatory/supervisory authorities;
- p. To ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
- q. To review the Group's investment policies, approving the appropriate investment portfolio mix and approving equity investment proposals as well as debt financing;
- r. To monitor on an on-going basis the Group's risk quality and performance, review periodic credit portfolio reports and assess portfolio performance; and
- s. To periodically review investment portfolios and risk returns parameters, and define new investments returns per latest analytical review.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board Committees oversee how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's exposure to the risks are explained in more detail below:

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

(i) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. It is the potential financial loss due to default of one or more debtors/obligors. Credit risk is the largest source of risk for the Group arising essentially from its lending and treasury operations.

The Group's credit policy is therefore aimed at minimizing the risk of lending to borrowers that is more likely to default, or whose credit quality is subject to probable deterioration.

For this purpose the Management through its Management Investment Decision Meetings (MIDM), Board Credit and Investment Committee (BCIC) and the Board of Directors are mandated to assess the creditworthiness of potential borrowers, and no disbursements are made without approvals at the appropriate level based on the delegated authority established by the Board of Directors.

The CEO directs the development of credit assessment procedures, models and application templates suitable for the proper assessment of credit worthiness of counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

2024

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Financial assets					
Cash and cash equivalents	15	3,299,232	-	-	3,299,232
Loans and advances to customers	16	-	-	581,642	581,642
Fee income receivable	17	-	-	1,711,105	1,711,105
<i>Other financial assets</i>					
Mandatory deposit with CBN	18(a)	170	-	-	170
FOMA receivable	18(a)	5,706,655	-	-	5,706,655
Other receivables	18(a)	122,756	-	-	122,756
Gross Amount		9,128,813	-	2,292,747	11,421,560
12-month ECL		(5,749,180)	-	-	(5,749,180)
Lifetime ECL not credit-impaired		-	-	-	-
Lifetime ECL credit-impaired		-	-	(2,292,700)	(2,292,700)
Carrying Amount		3,379,633	-	47	3,379,680

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Financial assets					
Cash and cash equivalents	15	3,042,157	-	-	3,042,157
Loans and advances to customers	16	-	-	581,462	581,462
Fee income receivable	17	-	-	1,711,058	1,711,058
<i>Other financial assets</i>					
Mandatory deposit with CBN	18(a)	170	-	-	170
Intercompany receivables	18(a)	-	1,372,838	-	1,372,838
Other receivables	18(a)	7,519	-	-	7,519
Gross Amount		3,057,365	1,372,838	2,292,520	6,715,204
12-month ECL		-	-	-	-
Lifetime ECL not credit-impaired		-	(1,291,303)	-	(1,291,303)
Lifetime ECL credit-impaired		-	-	(2,292,520)	(2,292,520)
Carrying Amount		3,057,365	81,535	-	3,131,381

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

2023

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Financial assets					
Cash and cash equivalents:	15	3,476,202	-	-	3,476,202
Loans and advances to customers	16	-	-	645,335	645,335
Fee income receivable	17	-	1,711,058	-	1,711,058
<i>Other financial assets</i>					
Mandatory deposit with CBN	18(a)	170	-	-	170
FOMA receivable	18(a)	5,749,180	-	-	5,749,180
Other receivables	18(a)	37,619	-	-	37,619
Gross Amount		9,263,171	1,711,058	645,335	11,619,564
12-month ECL		(5,749,180)	-	-	(5,749,180)
Lifetime ECL not credit-impaired		-	(1,708,343)	-	(1,708,343)
Lifetime ECL credit-impaired		-	-	(645,335)	(645,335)
Carrying Amount		3,513,991	2,715	-	3,516,706

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Financial assets					
Cash and cash equivalents:	15	3,253,536	-	-	3,253,536
Loans and advances to customers	16	-	-	581,462	581,462
Fee income receivable	17	-	1,711,058	-	1,711,058
<i>Other financial assets</i>					
Mandatory deposit with CBN	18(a)	170	-	-	170
Other receivables	18(a)	-	-	-	-
Intercompany receivables	18(a)	-	1,359,401	-	1,359,401
Gross Amount		3,253,706	3,070,459	581,462	6,905,627
12-month ECL		(3,364)	-	-	(3,364)
Lifetime ECL not credit-impaired		-	(2,999,645)	-	(2,999,645)
Lifetime ECL credit-impaired		-	-	581,462	581,462
Carrying Amount		3,250,342	70,814	-	4,484,080

Credit concentration

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

Group

<i>In thousands of Naira</i>	Note	31-Dec-24	31-Dec-23
Concentration by sector:			
Federal Government	18(a)	5,706,825	5,749,350
Private sector	14,15,16,17	3,422,035	3,516,536
		9,128,860	9,265,886

Concentration by location:

<i>In thousands of Naira</i>	31-Dec-24	31-Dec-23
Abuja	9,128,860	6,782,319
	9,128,860	6,782,319

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

Bank

In thousands of Naira

		31-Dec-24	31-Dec-23
Concentration by sector:			
Federal Government	18(a)	-	170
Private sector	14,15,16,17	3,042,157	3,256,251
		3,042,157	3,256,421

Concentration by location:

In thousands of Naira

		31-Dec-24	31-Dec-23
Abuja		3,131,381	3,256,421
		3,131,381	3,256,421

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company 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 external credit ratings of the counterparties, the Group'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 relevant for changes in prepayment expectations).

The Group uses four criteria for determining whether there has been a significant increase in credit risk:

-movement in PD based on internal and external rating parameters

The Group shall use changes in internal and external ratings of eligible loans and advances to assess significant increase/decrease in credit risk. Evidence of SICR depends on rating at initial recognition and the extent of movement (number of notches downgrade/upgrade) as at reporting date. The Group shall apply different notch movement across each rating grade as evidence of SICR. Generally, obligors with lower credit rating would require less notches downgrade to evidence SICR, when compared with obligors with higher credit rating. The logic is that PD exponentially increases as you move down the rating grades. For instance, while a one-notch movement is deemed significant for a loan rated CCC at origination, a two-notch movement is deemed significant for an AAA rated loan.

-probationary period

The Group monitors changes in the 'significant increase in credit risk' of its financial instruments during their transition from one stage to another.

The changes in the allocated stage of the assets will only be applied after the following requirements are met. That:

- Where there is evidence that there is significant reduction in credit risk, the Group would continue to monitor such financial instruments for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1).
- In addition to the 90 days probationary period above, the Group will observe a probationary period of 90 days to upgrade from Stage 3 to 2.

-backstop

The Group uses the backstop indicator otherwise known as "30 days past due presumption" to assess significant decrease/increase in credit risk in loans. Evidence of SICR depends on the loan performance status and the number of days for which contractual payments are past due.

The Group's definition of default follows CBN's prudential guidelines, which provides that a credit facility is deemed non-performing when

- Interest or principal is due and unpaid for 90 days or more;
- Interest payments equal to 90 days interest or more have been capitalized, rescheduled, or rolled over into a new loan (except when a loan is rescheduled and treated as a new facility, but provisioning continues until it is clear that rescheduling is working at a minimum, for a period of 90 days).

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

-qualitative indicators

The Group uses a wide range of qualitative criteria for staging purposes, leveraging on IFRS 9 recommendations and a range of other factors. The Group overrides the stage allocation using quantitative assessment if the financial asset(s) meets a specific qualitative criteria for different impairment stages.

Generating the term structure for PD

Probability of Default is a measure of the likelihood that the borrower of a loan will move from a performing status to a non – performing status over a given time horizon.

A loan is non – performing when interest or principal is due and unpaid for 90 days or more, or when such interest has been capitalized, rescheduled or rolled over into a new loan (CBN Prudential Guideline 12.1b.2). Multi-year PDs are a collection of monthly PD values referring to different time periods over the lifetime of a financial asset.

CBN requires banks to ensure that PD incorporates all key risk drivers and their predictive power. These identified drivers are to be calibrated based on historical data for at least 3 years.

In the absence of historic data and credit rating model, the Group resorted to the use of external mapping approach in deriving its PD. Deriving PDs for the Group’s obligors using the external mapping approach involves obtaining an external rating scale with assigned PDs for each rating grade, mapping the obligors to external rating grades and using the annual PDs assigned to the rating grade for the obligor.

Augusto Rating Scale	National-scale long-term rating	National-scale short-term rating	Adjusted Global-scale long-term local-currency rating
AAA	ngAAA	ngA-1	B
AA+	ngAA+	ngA-1	B
AA	ngAA, ngAA-	ngA-1	B
AA-	ngAA, ngAA-	ngA-1, ngA-2	B
A+	ngA+, ngA, ngA-	ngA-1, ngA-2	B
A	ngA+, ngA, ngA-	ngA-1, ngA-2	B
*A-	ngA+, ngA, ngA-	ngA-1, ngA-2	B
BBB+	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B-
BBB	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B-
BBB-	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B-
BB+	ngBB+, ngBB	ngB	B-
BB	ngBB+, ngBB	ngB	B-
BB-	ngBB-, ngB+	ngB	B-
B+	ngBB-, ngB+	ngB	CCC+
B	ngB, ngB-, ngCCC+	ngC	CCC+
B-	ngB, ngB-, ngCCC+	ngC	CCC+
CCC/C	ngCCC, ngCCC-	ngC	CCC-
N/A	ngCC	ngC	CC
N/A	NgC	ngC	C
N/A	R**	R**	R**
N/A	SD***	SD***	SD***
N/A	D****	D****	D****

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The table below shows the reconciliation of impairment by class of asset for all financial assets exposed to credit risk.

2024

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Loans and advances					
Balance at 1 January	16	-	-	581,462	581,462
Balance at 31 December		-	-	581,462	581,462

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Fee income receivables					
Balance at 1 January	17	-	1,708,343	-	1,708,343
Net impairment	17(c)	-	-	-	-
Balance at 31 December		-	1,708,343	-	1,708,343

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
Balance at 1 January	18(a)	5,749,180	-	-	5,749,180
Net impairment	18(b)	-	-	-	-
Balance at 31 December		5,749,180	-	-	5,749,180

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Loans and advances					
Balance at 1 January	16	-	-	581,462	581,462
Balance at 31 December		-	-	581,462	581,462

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Fee income receivables					
Balance at 1 January	17	-	1,708,343	-	1,708,343
Net impairment	17(c)	-	-	-	-
Balance at 31 December		-	1,708,343	-	1,708,343

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
Balance at 1 January	18(a)	-	1,291,302	-	1,291,302
Write-back	18(b)	-	-	-	-
Balance at 31 December		-	1,291,302	-	1,291,302

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

2023

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Loans and advances					
Balance at 1 January	16	-	-	581,462	581,462
Balance at 31 December		-	-	581,462	581,462

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Fee income receivables					
Balance at 1 January	17	-	1,708,343	-	1,708,343
Net impairment/(write back)	17(c)	-	-	-	-
Balance at 31 December		-	1,708,343	-	1,708,343

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
Balance at 1 January	18(b)	2,876,306	-	-	2,876,306
Net impairment/(write back)	18(b)			-	2,872,874
		2,872,874	-		
Balance at 31 December		5,749,180	-	-	5,749,180

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Loans and advances					
Balance at 1 January	16	-	-	581,462	581,462
Balance at 31 December		-	-	581,462	581,462

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Fee income receivables					
Balance at 1 January	17(c)	-	1,708,343	-	1,708,343
Net impairment/(write back)	17(c)			-	-
		-	-		
Balance at 31 December		-	1,708,343	-	1,708,343

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
Balance at 1 January	17(a)	-	1,291,302	-	1,291,302
Net impairment charge	18(b)	-	-	-	-
Balance at 31 December		-	1,291,302	-	1,291,302

Notes to the consolidated and separate financial statements
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(ii) **Liquidity risk**

Management of liquidity risk involves keeping sufficient liquid reserves and keeping committed credit lines available. 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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The Bank's achievement of these objectives is predicated on the ability to access funds of the right temperament (tenor, interest rate, size). Failure to tap funds appropriately both on- and off-shore would be a business constraint.

The maturity profiles of the contractual cash flows of financial instruments at 31 December 2023 were as follows:

Group									
<i>In thousands of Naira</i>	Note	Carrying amount	Contractual cash flow	On Demand	Less than 3 months	6 months	12 months	1 - 5 years	More than 5 years
31 December 2024									
<i>Non-derivative financial assets</i>									
Cash and cash equivalents	15	3,299,232	3,299,232	299,232	3,000,000	-	-	-	-
Fee income receivables	17	1,711,105	1,711,105	-	-	-	1,711,105	-	-
Deposit with CBN	18(a)	170	170	170	-	-	-	-	-
FOMA receivable	18(a)	5,706,655	5,745,186	-	-	-	-	-	5,745,186
Other receivables	18(a)	122,756	125,005	-	-	-	-	-	125,005
		10,839,918	10,880,698	299,402	3,000,000	-	1,711,105	-	5,870,191
<i>Non-derivative financial liabilities</i>									
Borrowings	23(a)	487,449	487,449	200,000	-	-	287,449	-	-
Employee benefits	25	115,681	115,681	-	115,681	-	-	-	-
Provisions and accruals	24	18,325	18,325	-	18,325	-	-	-	-
Other liabilities	26	4,135,312	4,219,191	-	-	-	4,219,191	-	-
Deposit for shares	27	35,070	35,070	35,070	-	-	-	-	-
		4,791,837	4,875,716	235,070	134,006	-	4,506,640	-	-
Gap (asset - liabilities)		6,048,081	6,004,982	64,332	2,865,994	-	(2,795,535)	-	5,870,191
Cumulative liquidity gap				64,332	2,930,326	2,930,326	134,791	134,791	6,004,982

The amounts disclosed in the liquidity maturity analysis is at gross and un-discounted values

The Group monitors the level of expected cash inflows on trade receivables together with the expected cash outflows on borrowings and other liabilities. The Group is proactively taking strategies to manage the liquidity position as at 31 December 2023. The bank's recapitalization strategy as approved by CBN is in two phases. The first phase is to raise a minimum of N5bn within six months from approval in March 2023 while the second phase seeks to attract international long-term funding from multinational institutions to shore up capital to about N50bn. Norrenberger Investment and Capital Management Limited however in its commitment to recapitalize the bank injected fresh capital of N3bn as part of a N5bn rights issue commenced by the bank in November 2023.

<i>In thousands of Naira</i>	Note	Carrying amount	Contractual cash flow	On Demand	Less than 3 months	6 months	12 months	1 - 5 years	More than 5 years
31 December 2023									
<i>Non-derivative assets</i>									
Cash and cash equivalents	15	3,476,202	3,476,202	476,202	3,000,000	-	-	-	-
Fee income receivables	17	1,711,058	1,711,058	-	-	-	1,711,058	-	-
Deposit with CBN	18(a)	170	170	170	-	-	-	-	-
FOMA receivable	18(a)	5,749,180	5,749,180	-	-	-	-	-	5,749,180
Other receivables	18(a)	37,619	37,619	-	-	-	-	-	37,619
		10,974,229	10,974,229	476,372	3,000,000	-	1,711,058	-	5,786,799
<i>Non-derivative liabilities</i>									
Borrowings	23(a)	450,000	450,000	200,000	250,000	-	-	-	-
Employee benefits	25	102,761	102,761	-	102,761	-	-	-	-
Provisions and accruals	24	22,657	22,657	-	22,657	-	-	-	-
Other liabilities	26	4,214,836	4,214,836	-	-	-	4,214,836	-	-
Deposit for shares	27	3,035,070	3,035,070	35,070	3,000,000	-	-	-	-
		7,825,324	7,825,324	235,070	3,375,418	-	4,214,836	-	-
Gap (asset - liabilities)		3,148,905	3,148,905	241,302	(375,418)	-	(2,503,778)	-	5,786,799
Cumulative liquidity gap				241,302	(134,116)	(134,116)	(2,637,894)	(2,637,894)	3,148,905

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Bank

<i>In thousands of Naira</i>	Note	Carrying amount	Contractual cashflow	On Demand	Less than 3 months	6 months	12 months	1 - 5 years	More than 5 years
31 December 2024									
<i>Non-derivative assets</i>									
Cash and cash equivalents	15	3,042,157	3,042,157	42,157	3,000,000	-	-	-	-
Fee income receivables	17	1,711,058	1,711,058	-	1,711,058	-	-	-	-
Deposit with CBN	18(a)	170	170	170	-	-	-	-	-
Intercompany receivables	18(a)	1,372,838	1,375,087	-	-	-	-	1,375,087	-
Other receivables	18(a)	7,519	7,519	-	7,519	-	-	-	-
		6,133,742	6,135,991	42,327	4,718,577	-	-	1,375,087	-
<i>Non-derivative liabilities</i>									
Borrowings	23(a)	287,449	287,449	-	-	-	287,449	-	-
Employee benefits	25	115,681	115,680	-	-	-	115,680	-	-
Provisions and accruals	24	18,325	20,900	-	20,900	-	-	-	-
Other liabilities	26	3,341,174	3,386,975	-	-	-	3,386,975	-	-
Deposit for shares	27	-	-	-	-	-	-	-	-
		3,762,629	3,811,004	-	20,900	-	3,790,104	-	-
Gap (asset - liabilities)		2,371,113	2,324,987	42,327	4,697,677	-	(3,790,104)	1,375,087	-
Cumulative liquidity gap				42,327	4,740,004	4,740,004	949,900	2,324,987	2,324,987

<i>In thousands of Naira</i>	Note	Carrying amount	Contractual cashflow	On Demand	Less than 3 months	6 months	12 months	1 - 5 years	More than 5 years
31 December 2023									
<i>Non-derivative assets</i>									
Cash and cash equivalents	15	3,253,536	3,253,536	253,536	3,000,000	-	-	-	-
Fee income receivables	17	1,711,058	1,711,058	-	1,711,058	-	-	-	-
Intercompany receivables	18(a)	1,359,401	1,359,401	-	-	-	-	1,359,401	-
Deposit with CBN	18(a)	170	170	170	-	-	-	-	-
		6,324,165	6,324,165	253,706	4,711,058	-	-	1,359,401	-
<i>Non-derivative liabilities</i>									
Borrowings	22(a)	250,000	250,000	-	250,000	-	-	-	-
Employee benefits	25	102,761	102,761	-	102,761	-	-	-	-
Provisions and accruals	24	20,900	20,900	-	20,900	-	-	-	-
Other liabilities	26	3,482,216	3,482,216	-	3,482,216	-	-	-	-
Deposit for shares	27	3,000,000	3,000,000	-	3,000,000	-	-	-	-
		6,855,877	6,855,877	-	6,855,877	-	-	-	-
Gap (asset - liabilities)		(531,712)	(531,712)	253,706	(2,144,819)	-	-	1,359,401	-
Cumulative liquidity gap				253,706	(1,891,113)	(1,891,113)	(1,891,113)	(531,712)	(531,712)

(iii) **Market risk**

Market risk is the risk that changes in market prices, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameter, while optimising the return.

On a macro-economic level there is no doubt that a huge demand for investment in infrastructure exists in the country. The demand ranges from social to economic infrastructure, and the Bank may find itself in a position that it will be able to choose between investment alternatives. Demand driven portfolio growth could result in unwanted results such as concentration and over exposure to certain borrowers (or states / regions), and this is guarded against when designing the portfolio parameters. Caps are placed on single borrower exposure, maximum state exposure, as well as sector exposure.

The Group has not entered into any derivative or other financial instruments to mitigate the market risk.

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(a) **Currency risk**

The Group is minimally exposed to the financial risk related to the fluctuation of foreign exchange rates. This is so because its revenues, capital expenditures are principally based in Naira. A significant change in the exchange rates between the Naira (functional and presentation currency) relative to the US dollar would have a significant effect on the Group's results of operations, financial position and cash flows. The Group does not enter into any forward exchange contracts to manage the currency risk fluctuations.

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Group

<i>In thousands of Naira</i>	Note	USD	GBP	EURO
31 December 2024				
Cash and cash equivalents	15	533	806	210
		533	806	210

31 December 2023

Cash and cash equivalents	14	540	1,221	119
		540	1,221	119

Bank

<i>In thousands of Naira</i>	Note	USD	GBP	EURO
31 December 2024				
Cash and cash equivalents	15	533	806	210
		533	806	210
31 December 2023				
Cash and cash equivalents	14	315	442	119
		315	442	119

Foreign currency sensitivity analysis

The bank is mainly exposed to the currency of USD, Euro and GBP

The following table details the bank's sensitivity to a 30% increase and decrease in the Naira against the relevant foreign currencies. 30% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 30% change in foreign currency rates. A negative number below indicates a decrease in cash balances where the Naira strengthens 20% against the relevant currency. For a 30% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

Effect in thousands of Naira	Equity	Profit or loss
At 31 December 2024		
Euro (30 percent strengthening)	(63)	(63)
USD (30 percent strengthening)	(161)	(161)
GBP(30 percent strengthening)	(242)	(242)
Euro (30 percent weakening)	44	44
USD (30 percent weakening)	113	113
GBP(30 percent weakening)	169	169
At 31 December 2023		
Euro (20 percent strengthening)	(63)	(63)
USD (20 percent strengthening)	(16)	(16)
GBP (20 percent strenthening)	(129)	(129)
Euro (20 percent weakening)	52	52
USD (20 percent weakening)	13	13
GBP (20 percent weakening)	63	63

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for the year ended 31 December 2024

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no financial instruments linked to variable interests. The risk that the Group will realise a loss as a result of any change in the fair value of financial assets or liabilities is thus immaterial. The Group has not entered into any derivative financial instrument to manage this risk.

The Group's policy is that all loans to borrowers must be structured according to the interest rate structure and maturity profile of the funding used. Therefore, in cases where funding is raised at variable rates and loans are offered at fixed rates, and vice versa, the Group must avail of interest rates swap or other hedging instruments with commercial Groups, and the cost thereof is calculated into the cost of funding. The Group's policy is therefore one of zero appetite for interest rate risk and the Managing Director/CEO ensures that all funding and loan transactions adhere to this policy. The Group does not have debt financial instruments that attracts or on which it pays floating interest rates. The Group has cash and cash equivalents held as deposits with banks. They are readily accessible and receive fixed rate interest. The Group actively monitors interest rate exposures on its investment portfolio so as to minimise the effect of interest rate fluctuations on profit or loss.

7 Capital management

The Group's policy is to maintain a strong capital base and also to comply with the minimum capital requirements imposed by the Central Bank of Nigeria, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The allocation of capital between specific operations and activities is primarily driven by regulatory requirements. The Group's capital management policy seeks to maximise return on risk while satisfying all the regulatory requirements. The Group's policy on capital allocation is subject to regular review by the Board.

The objective of the Group's capital management is to ensure that adequate capital is retained at all times to support the risks the Group undertakes in the course of its business. The Group identifies risks that are material to the Group's business and the regulatory capital that is required to be set aside for such risks. However, the Group intends to continue to be conservative and would aim to maintain a reasonable buffer over 10% regulatory capital requirement set by Central Bank of Nigeria.

The Group recognises that earnings are the first line of defence against losses arising from business risks and that capital is one of the tools to address such risks; also important are establishing and implementing documented procedures, defining and monitoring internal limits of the Group's activities/exposures, strong risk management, compliance and internal control processes as well as adequate provisions for credit, market and operational losses. However, since capital is vital to ensure continued solvency, the Group's objective is to maintain sufficient capital such that a buffer above regulatory capital adequacy requirements is available to meet risks arising from fluctuations in asset values, business cycles, expansion and future requirements.

The Group seeks to achieve the following goals through the implementation of its capital management framework:

- Meet the regulatory capital adequacy requirement and maintain a prudent buffer;
- Generate sufficient capital to support overall business strategy;
- Integrate capital allocation decisions with the strategic and financial planning process;
- Enhance Board and senior management's ability to understand how much capital flexibility exists to support the overall business strategy;
- Enhance the Group's understanding on capital requirements under different economic and stress scenarios; and
- Build and support the link between risks and capital and align performance to these.

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Capital base

The Banks capital base consists of regulatory capital; which is made up of Tier 1 capital (only permanent shareholder's equity and disclosed reserves) and Tier 2 capital. Tier 1 capital comprises share capital, share premium and retained earnings, while Tier 2 capital includes the Bank's qualifying loan capital and shall not exceed 100% of Tier 1 capital. The Bank is expected to maintain a minimum ratio of Tier I capital to total assets of 5%.

In 2015, the Central Bank of Nigeria (CBN) issued "Regulatory and Supervisory Guidelines for Development Finance Institution" which required the Bank to maintain a minimum capital of N10billion in order to operate as a Retail Development Finance Institution but the Central Bank of Nigeria has not communicated the deadline for the new capital requirement.

The Bank had a capital adequacy ratio of (71)% in 2024 (2023:negative (55)%). This was attributable to the accumulated loss of N6.7billion 2023 (2022: N8.08 billion) due to the bank's consistent net loss position in the past 5 years and a decline in the risk weighted assets during the year.

The Bank and the Group have not met the minimum capital requirements set by the Central Bank of Nigeria, the impact of the shortfall in capital adequacy and the Bank's remedial plan is disclosed in Note 35 Going concern and regulatory capital plan of this annual report.

Capital adequacy computations

The objective of the Bank's capital management is to ensure compliance with all the prudential requirements and to maintain healthy capital ratios in order to effectively support its business and to maximise shareholders' value.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations for Development Financial Institutions, a Capital Adequacy Ratio (CAR) of not less than 10% is to be maintained. The following table provides an overview of the of the capital levels and risk-weighted assets (RWA):

<i>In thousands of Naira</i>	Note	Group 2024	Group 2023	Bank 2024	Bank 2023
Tier 1 capital					
Ordinary share capital	30(a)	6,103,000	3,103,000	6,103,000	3,103,000
Capital contribution	30(b)	1,391,230	1,391,230	1,391,230	1,391,230
Accumulated losses	30(d)	(7,966,144)	(8,816,518)	(5,733,218)	(6,589,818)
		(471,914)	(4,322,288)	1,761,012	(2,095,588)
(Less):					
Intangible assets	22	(31,202)	(17,001)	(31,202)	(17,001)
Investment in subsidiaries	19	-	-	(137,843)	(137,843)
Total Tier 1 capital (a)		(503,116)	(4,339,289)	1,591,967	(2,250,432)
Tier 2 capital					
Revaluation reserve	30(c)	1,289,181	1,313,181	1,289,181	1,313,181
(Less):					
Investment in subsidiaries	19	-	-	(137,843)	(137,843)
Total Tier 2 capital (b)		1,289,181	1,313,181	1,151,338	1,175,338
Total Tier 2 capital limited to 100% of Tier 1 capital		1,289,181	1,313,181	1,591,967	1,175,338
Total regulatory capital (a+b)		786,065	(3,026,108)	2,743,305	(1,075,094)
Risk-weighted assets		4,034,940	8,463,408	3,924,655	2,181,771
Capital ratios					
Total regulatory capital expressed as a percentage of total risk-weighted assets		19%	-36%	70%	-49%
Total tier 1 capital expressed as a percentage of risk-weighted assets		-12%	-51%	41%	-103%

As shown above, the Bank currently has a capital adequacy ratio of (71)% (2023:-49%).

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8	Gross earnings		Group 2024	Group 2023	Bank 2024	Bank 2023
	Interest income on fixed deposits		4,957	18,657	1,324	13,540
	Fees and commission		931,151	646,350	931,151	646,350
	Non-interest income		91,647	847,947	91,647	823,936
	Fair value gain on investment properties		638,120	433,816	638,120	433,816
			1,665,875	1,946,770	1,662,242	1,917,642
8(a)	Interest income calculated using effective interest rate		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
	Interest income on fixed deposits		4,957	18,657	1,324	13,540
	Total interest income calculated using effective interest method		4,957	18,657	1,324	13,540
9	Fees and commission income		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
(a)	Fees and commission income					
	Project advisory fees		10,000	11,166	10,000	11,166
	Fee earned from PMTF funds		752,589	469,388	752,589	469,388
	MNS processing fees (See note (i) below)		168,562	165,796	168,562	165,796
	Total fees and commission income		931,151	646,350	931,151	646,350
(b)	Fees and commission expense		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
	Fees and commission expense		(41,388)	-	(41,388)	-
i)	Project processing and monitoring fees represents fees earned by the Bank in its capacity as fund managers to the Move Nigeria Scheme (MNS). The fees earned by the Bank are in line with the terms of the agreement between the Bank and the Federal Government of Nigeria.					
10	Other income		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
	Rental income (i)		56,482	42,502	56,482	42,502
	Gain on disposal of Property and equipments (iv)		1,787	1,465	1,787	1,465
	Other miscellaneous income (ii)		32,750	800,685	32,750	777,774
	Foreign exchange gain (iii)		628	3,295	628	2,195
	Total other income		91,647	847,947	91,647	823,936
(i)	Rental income refers to income earned from the Bank's Investment properties in Lagos and Kano.					
(ii)	Other miscellaneous income represents liabilities reversed from the book as there are indications that payment for the services is no more required.					
(iii)	This relates to the exchange gain on the translation of the foreign denominated cash balances.					
(iv)	This relates to the gain on the disposal of the property, plant and equipment. Please refer to Note 21 to see the Net Carrying amount and the Proceeds from disposal					
10(b)	Fair value gain on investment properties		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
	Fair value gain on investment properties	20	638,120	433,816	638,120	433,816
	Fair value gain on investment properties		638,120	433,816	638,120	433,816
11	Expenses					
11(a)	Depreciation and amortisation		Group 2024	Group 2023	Bank 2024	Bank 2023
	<i>In thousands of Naira</i>					
	Depreciation of property and equipment	21	20,341	7,601	20,341	7,601
	Amortisation of intangible assets	22	6,852	286	6,852	286
			27,193	7,887	27,193	7,887

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for the year ended 31 December 2024

11(b) Personnel expenses

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Salaries and allowances	203,841	282,961	203,841	282,961
Pension contributions	8,299	11,074	8,299	11,074
	212,140	294,035	212,140	294,035

11(c) Employee information:

The number of employees of the Group, other than directors in receipt of emoluments including allowances within the following ranges were:

	2024 Number	2023 Number
500,001 - 800,000	-	-
800,001 - 1,000,000	8	1
1,000,001 - 2,000,000	2	11
2,000,001 - 3,000,000	-	-
3,000,001 - 4,000,000	5	1
4,000,001 - 5,000,000	-	1
5,000,001 - 6,000,000	3	3
6,000,001 - 7,000,000	-	-
7,000,001 - 8,000,000	-	3
8,000,001 - 9,000,000	1	-
9,000,001 - 10,000,000	-	1
10,000,001 - 12,000,000	2	1
12,000,001 - 18,000,000	1	9
Above 18,000,001	6	4
	28	35

The average number of persons in employment at the Group and Bank level during the year comprise:

	Bank 2024 Number	Bank 2023 Number
Management staff	7	6
Senior staff	6	16
Other staff (Junior staff)	15	13
	28	35

11(d) Other operating expenses

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Audit fees (i)	20,426	17,121	20,000	15,000
Bank charges	1,344	1,568	1,331	1,566
Club membership	1,085	1,700	1,085	1,700
Directors fees and allowances	40,677	75,167	40,677	75,167
Insurance premium	23,090	26,653	22,940	26,653
Legal expenses	4,957	380	4,822	-
Maintenance expenses	98,722	29,653	98,722	29,653
Marketing expenses	371	8,941	371	8,941
Motor vehicle running cost	7,700	1,623	7,700	1,623
Office running expenses	100,948	64,703	100,548	64,703
Professional fees (i)	118,203	5,274	107,649	4,200
Provisions	-	3,031	-	3,031
Statutory charges	6,668	-	6,668	-
Training and recruitment	14,644	409	13,569	409
Travel and accommodation	19,301	21,480	18,914	21,381
Welfare and hospitality	23,452	13,867	23,452	13,867
	481,588	271,570	468,448	267,894

- (i) The external auditor, Messrs. Ernst & Young, provided a permissible attestation of Internal Control over Financial Reporting, in line with the requirement of Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. These services, in the Company's opinion, did not impair the independence and objectivity of the external auditor and were duly approved by the Board of Directors on the recommendation of Audit Committee. The sum of N5.5m (2023:N5m) was charged for this service, this is included in the professional fees.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

11(e) Finance cost		Group	Group	Bank	Bank
<i>In thousands of Naira</i>		2024	2023	2024	2023
Interest on borrowings		37,449	14,075	37,449	14,075
Total finance cost		37,449	14,075	37,449	14,075

12 Impairment (charge)/write-back on financial assets

		Group	Group	Bank	Bank
<i>In thousands of Naira</i>		2024	2023	2024	2023
Impairment charge on fee income receivables	17(c)	2,715	-	2,715	
Impairment reversal on loans and advances	16	-	(63,873)	-	(63,873)
Impairment charge/(reversal) on other financial assets	18(b)	-	2,872,874	-	
		2,715	2,809,001	2,715	(63,873)

13 Income Tax

<i>In thousands of Naira</i>		Group	Group	Bank	Bank
		2024	2023	2024	2023

13(a) Income tax expense

Current income tax expense:

Education tax		8,113	28,753	8,113	28,753
NITDA levy		2,451	13,976	2,451	13,976
Police Trust fund levy		12	70	12	70
NASENI		613	3,494	613	3,494
Company Income Tax		-	-	-	-
		11,189	46,293	11,189	46,293

Deferred tax expense:

Recognition of temporary differences		-	-	-	-
Recognition of deferred tax	13(b)(i)	-	(148,344)		(148,344)

Income tax expenses		11,189	(102,051)	11,189	(102,051)
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Minimum tax (see note (i) below)		5,120	10,849	5,120	9,908
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Total income tax expense		(16,309)	(91,202)	(16,309)	(92,144)
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- (i) The Bank was assessed based on the minimum tax legislation because it had no taxable profit. Hence, the Bank consequently applied the provisions of the Companies Income Tax Act that mandated a minimum tax assessment, where a tax payer does not have any tax liability arising from its tax assessment.

Reconciliation of effective tax rate

Group

<i>in thousands of Naira</i>		2024		2023	
		Tax rate	Amount	Tax rate	Amount
Loss before tax		-	863,401	-	(1,449,798)
Income tax (expense)/credit for the year		-	16,309	-	91,202
Loss after tax			879,710		(1,358,596)
Income tax using the domestic corporation tax rate		30%	-	30%	-
Deferred tax		10%	-	0%	(148,344)
Education tax(3% of assessable profit)		3%	8,113	2.5%	28,753
NASENI (1% of profit before tax)		0.03%	613	0.03%	3,494
Police Trust fund levy (0.005% of profit before tax)		0.01%	12	0.01%	70
NITDA levy (1% of profit before tax)		1%	2,451	1%	13,976
Minimum tax (0.5% of gross turnover)		0.05%	5,120	0.05%	10,849
Effective tax rate		33.70%	(16,309)	33.70%	(91,202)

Reconciliation of effective tax rate

Bank

<i>in thousands of Naira</i>		2024		2023	
		Tax rate	Amount	Tax rate	Amount
Profit before tax		-	872,909	-	1,397,624
Income tax expense for the year		-	16,309	-	92,144
Profit after tax			889,218		1,489,768
Income tax using the domestic corporation tax rate		30%	-	30%	-
Education tax(3% of assessable profit)		3%	8,113	3%	28,753
Deferred tax		0%	-	0.0%	(148,344)
NASENI (1% of profit before tax)		1%	613	1%	3,494
NITDA levy (1% of profit before tax)		1%	2,451	1%	13,976
Police Trust fund levy (0.005% of profit before tax)		0.01%	12	0.01%	70
Minimum tax (0.5% of gross turnover)		0.05%	5,120	0.05%	9,908
Effective tax rate		33.70%	(16,309)	35.06%	(92,144)

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13(b) Deferred tax assets and liabilities

Movement on the net deferred tax assets/ (liabilities) account during the year

Group

31 December 2024

<i>In thousands of Naira</i>	Balance at 1 January		Recognised in	Recognised in	Balance at 31 December	
	Assets	Liabilities	OCI	profit or loss	Assets	Liabilities
Revaluation of land and building	-	(286,000)		-	-	(286,000)
	-	(286,000)	-	-	-	(286,000)

31 December 2023

<i>In thousands of Naira</i>	Balance at 1 January		Recognised in	Recognised in	Balance at 31 December	
	Assets	Liabilities	OCI	profit or loss	Assets	Liabilities
Revaluation of land and building	-	(446,344)	12,000	148,344	-	(286,000)
	-	(446,344)	12,000	148,344	-	(286,000)

Bank

31 December 2024

<i>In thousands of Naira</i>	Balance at 1 January		Recognised in	Recognised in	Balance at 31 December	
	Assets	Liabilities	OCI	profit or loss	Assets	Liabilities
Revaluation of land and building	-	(286,000)	-	-	-	(286,000)
	-	(286,000)	-	-	-	(286,000)

Bank

31 December 2023

<i>In thousands of Naira</i>	Balance at 1 January		Recognised in	Recognised in	Balance at 31 December	
	Assets	Liabilities	OCI	profit or loss	Assets	Liabilities
Revaluation of land and building	-	(446,344)	12,000	148,344	-	(286,000)
	-	(446,344)	12,000	148,344	-	(286,000)

Notes to the consolidated and separate financial statements
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13(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognized in respect of the following items because it is not probable that future taxable profit will be available against which the Bank can utilise the benefits. The items attributable to the unrecognized deferred tax assets are as follows:

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Unrelieved losses	1,547,335	1,547,335	1,547,335	1,547,335
Property and equipment	24,794	24,794	24,794	24,794
Balance, end of year	1,572,129	1,572,129	1,572,129	1,572,129

The unrelieved tax losses do not expire.

13(d) Current income tax liabilities

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Balance, beginning of year	69,366	12,999	68,473	12,272
Charge for the year	16,309	56,441	16,309	56,201
Payments during the year	-	(74)	-	-
Balance, end of year	85,675	69,366	84,782	68,473

14 Basic and diluted profit/loss per share

The calculation of basic earnings/loss per share at 31 December 2024 was based on the profit attributable to ordinary shareholders of N850m (2023 loss: negative N1.3 billion) for the Group and profit attributable to ordinary shareholders of N856m profit (2023: N1.5bn) for the Bank and an average number of ordinary shares outstanding of 12,206,000,000 (2023: 6,206,000,000).

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Profit/(loss) attributable to ordinary shareholders	850,374	(1,346,846)	856,600	1,489,768
<i>In thousands of unit</i>				
Weighted average number of ordinary shares (basic and diluted)	12,206,000	6,206,000	12,206,000	6,206,000
Basic and diluted earning/ (loss) per share	7	(22)		

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	Note	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
15 Cash and cash equivalents					
<i>In thousands of Naira</i>					
Balances with banks		3,299,232	3,320,568	3,042,157	3,253,536
Short-term deposits		-	155,634	-	-
		3,299,232	3,476,202	3,042,157	3,253,536
Impairment allowance (see note (a) below)		-	-	-	-
Cash and cash equivalents		3,299,232	3,476,202	3,042,157	3,253,536

15(a) Cash and cash equivalents comprises of demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value held primarily for the purpose of meeting short-term cash commitments. Average interest rate on the short-term deposits for the year is 21% (2023:15%). Cash and cash equivalents have been assessed for impairment but the amount is immaterial.

		Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
16 Loans and advances to customers					
<i>In thousands of Naira</i>					
Loans and advances to customers at amortised cost		581,462	581,462	581,462	581,462
Gross amount		581,462	581,462	581,462	581,462
Less impairment loss allowance (<i>See note (a) below</i>)		(581,462)	(581,462)	(581,462)	581,462
		-	-	-	-

(a) Impairment loss allowance		31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>In thousands of Naira</i>					
Balance, beginning of year		581,462	645,335	581,462	645,335
Write-back during the year (i)	12	-	(63,873)	-	(63,873)
Balance, end of year		581,462	581,462	581,462	581,462

i. The write-back of the impairment allowance on the loans and advances in prior year was as a result of the loan recovered from Uren Sterling and Byuan resource.

17 Fee income receivables		Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>					
Fee income receivables	(17a)	1,711,105	1,711,058	1,711,058	1,711,058
Gross amount		1,711,105	1,711,058	1,711,058	1,711,058
Impairment allowance	17(c)	(1,711,058)	(1,708,343)	(1,711,058)	(1,708,343)
Net carrying amount		47	2,715	-	2,715
Current		47	2,715	-	2,715
Non current		-	-	-	-
Carrying amount		47	2,715	-	2,715

(a) Included in fee income receivables of the Bank is N1.245 billion (2023: N1.245 billion) due from Motorways Asset Limited ("MAL") in respect of transaction advisory services rendered by the Bank to MAL on the Rehabilitation, Reconstruction and Expansion of the Lagos Ibadan Dual Carriage way project. In 2015, the Bank was mandated to act as advisor to Motorways Asset Limited for the N167 billion Public Private Project. MAL was disengaged from the arrangement in November 2018 and is currently in discussion with the Federal Government to recover amounts expended on the project thus far, amongst other claims (see note (17(a)(ii)).

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(b) Movement on gross amount on income receivables

	Note	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2022
<i>In thousands of Naira</i>					
Balance, beginning of year		1,711,058	1,711,058	1,711,058	1,711,058
Addition	-	47	-	-	-
Balance, end of year		1,711,105	1,711,058	1,711,058	1,711,058

(c) Movement on impairment allowance on income receivables

	Note	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>					
Balance, beginning of year		1,708,343	1,708,343	1,708,343	1,708,343
Impairment charge for the year	12	2,715	-	2,715	-
Balance, end of year		1,711,058	1,708,343	1,711,058	1,708,343

18(a) Other assets	Note	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>					
<i>Financial assets</i>					
Mandatory deposit with CBN (See note (i) below)		170	170	170	170
Intercompany receivables (See (iv,v,vi) below)		-	-	1,372,838	1,359,401
FOMA receivable (See note (ii) below)		5,706,655	5,749,180	-	-
Other receivables (see note (iii) below)		122,756	37,619	7,519	-
		5,829,581	5,786,969	1,380,527	1,359,571
Impairment allowance on financial assets (See (b) below)		(5,749,180)	(5,749,180)	(1,291,302)	(1,291,302)
		80,401	37,789	89,225	68,539
<i>Non-financial assets</i>					
Prepayments (see note (vii) below)		22,557	14,210	22,727	14,380
Withholding tax recoverable		3,855	5,962	3,855	5,962
VAT receivable		2,700	2,700	2,700	2,700
		29,112	22,872	29,282	23,042
Impairment allowance on non-financial assets (See (c) below)		(2,700)	(2,700)	(2,700)	(2,700)
		26,412	20,172	26,582	20,342
Net carrying amount		106,813	57,961	115,807	88,881
Current		29,112	20,172	26,582	20,342
Non current		77,701	37,789	89,225	68,539
Carrying amount		106,813	57,961	115,807	88,881

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For the year ended 31 December 2024

- (i) Mandatory deposit with Central Bank of Nigeria relates to restricted deposit with the Bank's regulator, which is not available for use in the Group's day to day operations.
- (ii) On 7 November, 2018, Motorways Asset Limited (MAL), a subsidiary of The Infrastructure Bank Plc, was disengaged from the Finance, Operate and Maintain Agreement (FOMA) dated 16 January 2015 and Interface Agreement dated 27 January 2015 with the Federal Government of Nigeria (FGN) for the rehabilitation, reconstruction and expansion of the Lagos-Ibadan dual carriageway by the Federal Government of Nigeria, on grounds that a fundamental condition precedent to the FOMA could not be satisfied and other conditions to the effectiveness of the Interphase Agreement particularly the Infrastructure Concession and Regulatory Commission (ICRC) approval of the Public Finance Initiative (PFI) which could not be satisfied.
- MAL has been engaging with the FGN since 2018 on the resolution and settlement of the claims from the disengagement. The amount recognised in respect to this claim in the consolidated financial statements is N5.7billion. The Directors are optimistic that the claims will be recovered from the FGN and no significant losses would result from the carrying value of receivables held in respect of the FOMA
- (iii) Included in this amount is N82 million which relates to amount incurred by IHL in the implementation of detailed engineering designs and construction plans for the proposed development of the Infrastructure Towers Project.
- (iv) Amount represents advance to IHL with respect to the implementation of detailed engineering designs and construction plans for the proposed development of the Infrastructure Towers Project as at 31 December 2021.
- (v) The balance represents receivable from METSL relating to cash advances granted to the Company to meet working capital needs and other receivables from preliminary expenses borne by the Bank in setting up the Company.
- (vi) Amount represents a non-interest advance granted to TIB AML from TIB Plc in other to meet up the regulatory capital threshold and also support operation.
- (vii) Prepayments represent payments made in advance for expected future economic benefits. This includes Insurance and subscriptions

18(b) Movement in Impairment allowance on other financial assets

<i>In thousands of Naira</i>	Note	31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Balance, beginning of year		5,749,180	2,876,306	1,291,032	1,291,032
Charge during the year	12	-	2,872,874	-	-
Balance, end of year		5,749,180	5,749,180	1,291,302	1,291,032

(c) Movement in Impairment allowance on other non-financial assets

<i>In thousands of Naira</i>	Note	31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Balance, beginning of year	(i)	2,700	2,700	2,700	2,700
Charge during the year		-	-	-	-
Balance, end of year		2,700	2,700	2,700	2,700

- (i) This relates to impairment allowance on the VAT receivable.

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
19 Investment in subsidiaries				
<i>In thousands of Naira</i>				
Investment in Marina Express Train Services Limited (See note (b)(i) l	-	-	79,239	79,239
Investment in Infrastructure Heights Limited (See note (b)(ii) below)	-	-	999	999
Investment in TIB Asset Management Limited (See note (b)(iii) below)	-	-	158,927	158,927
Investment in Motorways Asset Limited (See note (b)(iv) below)	-	-	2,972,645	2,972,645
	-	-	3,211,810	3,211,810
Impairment allowance on investment in Motorways Asset Limited	-	-	(2,972,645)	(2,972,645)
Impairment allowance on investment in Marina Express Train Services	-	-	(79,239)	(79,239)
Impairment allowance on Infrastructure Heights Limited	-	-	(999)	(999)
Impairment allowance on investment in TIB Asset Management Limited	-	-	(21,084)	(21,084)
	-	-	(3,073,967)	(3,073,967)
Net Investment in Subsidiaries	-	-	137,843	137,843
Current	-	-	-	-
Non current	-	-	137,843	137,843
Carrying amount	-	-	137,843	137,843

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(a) The details of the investment in subsidiary during the year are as follows:

Company Name	Ownership interest (%)	
	31 December 2024	31 December 2023
Investment in Infrastructure Heights Limited	100%	100%
Investment in TIB Asset Management (TIB AML)	100%	100%
Investment in Marina Express Train Services Limited (METSL)	94%	94%
Investment in Motorways Asset Limited (MAL)	66%	66%

(b) Impairment allowance on investment in subsidiaries	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>In thousands of Naira</i>				
Balance, beginning of year	-	-	3,073,967	3,073,967
Charge during the year	-	-	-	-
Balance, end of year	-	-	3,073,967	3,073,967

The bank fully impaired most of its investment in subsidiaries except for TIB Asset Management Limited which was partly impaired as the subsidiaries have been rendered moribund due to the termination of the rehabilitation, reconstruction and expansion of the Lagos/Ibadan expressway concession contract by Ministry of Power, Works and Housing in November 2018. The subsidiaries have not been operational after this period which gave rise to the bank recognising an impairment allowance on its investment in the subsidiaries.

(c) Details of investment in subsidiaries

(i) Investment in Marina Express Train Services Limited (METSL)

Marina Express Train Services Limited was incorporated in Nigeria as a private limited liability company on 26 January 2011. The Company emerged from a consortium agreement formed in 2009 by the Bank in conjunction with Mainstreet Bank (now Polaris Bank), Unity Bank Plc and a construction company to bid for the Light Metro Rail Transit (LMRT) Red Line Concession in Lagos State. The preferred bidder status was conferred on the consortium in November 2011 and Marina Express Train Services Limited was incorporated to carry out the project.

The Right of Way agreement between the Federal Ministry of Transport and the Lagos State Government was signed on 22 May 2015. The grant of the Right of Way is to enable Lagos State Government progress with its contractual negotiations with METSL for the Public Private Partnership ("PPP") infrastructure project. In November 2018, the commencement of discussions on the concession agreement was approved by the Governor of Lagos State, pending the realisation of the deliverables as contained in the Project Development Memorandum of Understanding (PDMU).

The issued share capital of the company is 8,000,000 (2023: 8,000,000) ordinary shares of N1.00 each out of which 3,000,000 (2023: 3,000,000) ordinary shares of N1.00 each had been fully paid up by the Bank. The Group's investment of N79.2 million (2023: N79.2 million) in Marina Express Train Service Limited, therefore, represents the cost of investment in the ordinary shares of the company. The ordinary shares are yet to be allotted to other members of the consortium, thus Marina Express Train Service Limited presently remains a wholly owned subsidiary of The Infrastructure Bank Plc as at 31 December 2024.

(ii) Investment in Infrastructure Heights Limited

Infrastructure Heights Limited is a Special Purpose Vehicle incorporated by the Bank on 12 November 2014 to develop a twenty-seven storey state-of-the-art multi-purpose head office tower on the Bank's site located at Plot 977, Central Business District, Adjacent National Mosque, Abuja. The authorised share capital of the company is 1,000,000 ordinary shares of N1.00 each of which 999,000 have been allotted to The Infrastructure Bank Plc.

In 2015, the company obtained the approval of the Federal Capital Development Authority for the land use plan and site development plan as "Mixed Use Development" and this was confirmed by the office of the Director, Urban and Regional Planning, Federal Capital Development Authority (FCDA) Abuja. In addition, the Bank entered into a collaboration with ERIS Property Development ("ERIS") in 2016, a real estate development company based in South Africa, on the Infrastructure Towers Project.

(iii) Investment in TIB Asset Management (TIB AML)

TIB Asset Management Limited is an entity incorporated by the Bank in May 2013 to act as a fund/portfolio manager. The issued share capital of the company is 500 million ordinary shares of N1.00 each out of which 158 million ordinary shares of N1 each were allotted to the Bank as at 31 December 2024, the balance of 342 million ordinary shares remain unallotted. TIB AML presently remains a wholly owned subsidiary of the Bank and we have therefore consolidated the transactions of this company in the consolidated financial statements of the Bank as at 31 December 2024.

In 2015, the company obtained approval from the Securities and Exchange Commission to function as a fund/portfolio manager in the capital market with effect from 27 July 2015. Following the issuance of the fund manager license, the TIB Infrastructure Fund documents, comprising the Trust Deed and Private Placement Memorandum (PPM), were finalised and submitted to the Securities and Exchange Commission. The Securities and Exchange Commission approved the registration of the Fund on 21 October 2016. The fund is yet to be set up as TIB Asset Management Limited and its partners are in the process of marketing and securing participation of local and international investors in the Fund.

(iv) Investment in Motorways Asset Limited (MAL)

In 2013, The Infrastructure Bank PLC (the "Bank"), acting in the capacity of mandated Finance Arranger to the Federal Ministry of Works (FMW), devised a novel Private Finance Initiative ("PFI") scheme for the rehabilitation, reconstruction and expansion of the Lagos – Ibadan dual carriageway. In line with the transaction structure approved by the Federal Executive Council (FEC), the Federal Government of Nigeria (FGN) was obligated to provide 30% of the project cost being a counterpart/catalytic funding, whilst the balance of 70% was to be raised by the Bank, through a Special Purpose Vehicle (SPV) – Motorways Asset Limited. MAL was established for the implementation of the financing scheme.

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20 Investment properties	Group	Group	Bank	Bank
In thousands of Naira	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
As at 1 January	2,740,000	2,306,184	2,740,000	2,306,184
Fair value changes	638,120	433,816	638,120	433,816
	<u>3,378,120</u>	<u>2,740,000</u>	<u>3,378,120</u>	<u>2,740,000</u>

20(a) Measurement of fair value

The fair value of investment properties was determined by an external, independent property valuer (Osas & Oseji FRC/2012/0000000000522), having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation report was signed by Mr. Osejike Hyacinth (FRC/2020/PRO/NIESV/00000020162). The fair value measurement for the properties are N3.4 billion (31 December 2023: N2.7 billion) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used. Valuation of investment property is carried out by the Group and Bank yearly.

The fair values of the land was determined using the Direct Comparision Approach. The assumptions and contingent considered by the valuers include;

- the information supplied is correct
- the title to the property is good and marketable
- the prices for the property in the Lagos neighbourhood ranges between N800,000 - N1,000,000 per square meter
- the prices for the property in the Abuja neighbourhood ranges between N160,000 - N170,000 per square meter
- the prices for the property in the Kano neighbourhood ranges between N40,000 - N50,000 per square meter
- the property is free from all onerous restrictions or charges
- the property is not adversely affected by, or subject to compulsory acquisition, road widening, new road proposals or planning regulations and environmental laws
- there are no hidden or unapparent conditions of the property, subsoil or structure that rendered it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

Sensitivity analysis

The table below sets out the impact on equity and profit or loss of a 1000 basis point movement in the open market price of the investment property.

In thousands of Naira

Fair value of Investment property	
+10% movement in open market price	701,932
-10% movement in open market price	574,308

The Group has no restrictions on the realisability of its investment properties. there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Included in the disclosure are the rental income and it's associated expenses.

Notes to the consolidated and separate financial statements
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21 Property and equipment

Group/Bank

In thousands of Naira

	Land	Building	Office equipment	Computer hardware & equipment	Furniture & fittings	Motor vehicles	Total
Cost/Revaluation:							
Balance at 1 January 2024	500,000	73,768	38,018	80,941	27,627	30,401	750,755
Additions	-	8,315	7,702	37,639	9,377	-	63,033
Disposal	-	(17,756)	(806)	(3,586)	(578)	(12,400)	(35,126)
Balance as at 31 December 2024	500,000	64,327	44,914	114,994	36,426	18,001	778,662
Balance at 1 January 2023	380,000	53,967	38,077	91,685	36,523	81,070	681,322
Additions	-	19,801	3,195	9,255	-	736	32,987
Revaluation gain	120,000	-	-	-	-	-	120,000
Disposal	-	-	(3,254)	(19,999)	(8,896)	(51,405)	(83,554)
Balance as at 31 December 2023	500,000	73,768	38,018	80,941	27,627	30,401	750,755
Accumulated depreciation:							
Balance at 1 January 2024	-	(31,131)	(35,879)	(70,669)	(27,626)	(29,849)	(195,154)
Depreciation charge for the year	-	(1,234)	(2,515)	(15,128)	(1,285)	(179)	(20,341)
Disposal	-	17,201	806	3,586	578	12,400	34,571
Balance as at 31 December 2024	-	(15,164)	(37,588)	(82,211)	(28,333)	(17,628)	(180,924)
Balance at 1 January 2023	-	(30,354)	(38,077)	(85,157)	(36,449)	(81,070)	(271,107)
Depreciation charge for the year	-	(777)	(1,056)	(5,511)	(73)	(184)	(7,601)
Disposals	-	-	3,254	19,999	8,896	51,405	83,554
Balance as at 31 December 2023	-	(31,131)	(35,879)	(70,669)	(27,626)	(29,849)	(195,154)
Carrying amounts							
At 31 December 2024	500,000	49,163	7,326	32,783	8,093	373	597,646
At 31 December 2023	500,000	42,637	2,139	10,272	1	552	555,601

There are no restrictions on the title on the Group's property and equipment. There are also no property and equipment that was pledged as security for liability by the Group.

** The Group and Bank revalue its Land and building at least once every three years when there is a significant fluctuation in Fair Value

Measurement of fair value

The fair value of Land was determined by an external, independent property valuer (Osas & Oseji FRC/2012/0000000000522), having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation report was signed by Mr. Osejike Hyacinth (FRC/2020/PRO/NIESV/00000020162). The fair value measurement for the propeties are N500 million (31 December 2023: N500m) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used. Valuation of the Land is carried out by the Group and Bank yearly.

Valuation Technique	Significant Unobservable inputs	Sensitivity
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value.This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood.The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	Price per square meter, rate of development in the area, Quality of the building, Influx of people and/or businesses to the area.	The estimated fair value would increase/(decrease) if the rate of development in the area increases/ (decreases) , quality of the budiling increases /(decreases) , influx of people and/or business to the area increases/(decreases).

Reconciliation of profit or loss on the disposal of property and equipment

In thousands of naira

	2024	2023
Proceed from the disposal	1,787	1,465
Carrying amount of property & equipment disposed	-	-
Profit on disposal	1,787	1,465

In the year, there was a di

Notes to the consolidated and separate financial statements
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22 Intangible assets

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>Net Book Values (NBV):</i>				
Computer software (see note (a) below)	31,202	17,001	31,202	17,001
	31,202	17,001	31,202	17,001

22(a) Group/Bank

<i>In thousands of Naira</i>	Purchased computer software
Cost:	
Balance at 1 January 2024	37,614
Additions	21,053
Balance as at 31 December 2024	58,667
Balance at 1 January 2023	21,691
Additions	15,923
Balance as at 31 December 2023	37,614
Accumulated amortisation:	
Balance as at 1 January 2024	(20,614)
Amortisation charge for the year	(6,852)
Balance as at 31 December 2024	(27,466)
Balance as at 1 January 2023	(20,328)
Amortisation charge for the year	(286)
Balance as at 31 December 2023	(20,614)
Carrying amounts:	
At 31 December 2024	31,202
At 31 December 2023	17,001

There are no restrictions on the title on the Group's Intangible assets. There are also no Intangible assets that was pledged as security for liability by the Group.

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23(a) Borrowings

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Term loan (See note (c) below)	487,449	450,000	287,449	250,000
Total	487,449	450,000	287,449	250,000
Current	487,449	450,000	287,449	250,000
Non-current	-	-	-	-
Carrying amount	487,449	450,000	287,449	250,000

23(b) The movement in borrowings during the year is as follows:

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Balance, beginning of the year	450,000	200,000	250,000	21,807
Additions during the year	-	250,000	-	250,000
Interest on borrowings	37,449	14,025	37,449	14,025
Repayments made during the year	-	(14,025)	-	(35,832)
Balance, end of year - Gross	487,449	450,000	287,449	250,000

- (c) Amount represents funds obtained from Motorways Asset Limited. It is repayable on demand as a bullet payment with no stated interest terms. In 2023, the bank obtained a loan (N250m) from Norrenberger Investment Capital Management Limited. The loan has an annual interest rate of 15%.

24 Provisions and Accruals

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Accrued professional fees	18,325	22,657	18,325	20,900
Other accrued expenses	6,277	113,148	152	113,148
Total	24,602	135,805	18,477	134,048
Current	24,602	135,805	18,477	134,048
Non-current	-	-	-	-
Carrying amount	24,602	135,805	18,477	134,048

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
<i>Financial liabilities</i>				
Accrued professional fees	18,325	22,657	18,325	20,900
<i>Non-financial liabilities</i>				
Other accrued expenses	6,277	99,885	152	113,148
	24,602	122,542	18,477	134,048

Notes to the consolidated and separate financial statements
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25 Employee benefits

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
(a) Defined contribution plan:				
Contributory Pension Scheme (See note (d))	3,630	5,229	3,630	5,229
	3,630	5,229	3,630	5,229
(b) Other accrued employee benefits				
	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
<i>Financial liabilities</i>				
Salaries & Wages	5,936	48,502	5,936	48,502
Passage allowance	19,022	35,876	19,022	35,876
Leave allowance	3,891	9,404	3,891	9,404
13th month allowance	2,254	3,750	2,254	3,750
Other Expenses	80,948	-	80,948	-
	112,051	97,532	112,051	97,532
Total	115,681	102,761	115,681	102,761
Current	115,681	102,761	115,681	102,761
Non-current	-	-	-	-
Carrying amount	115,681	102,761	115,681	102,761

- (c) The Bank offers its employee benefits under defined contribution plans in line with the Pension Reform Act of 2014, where the employees contribute 8% and the Bank contributes 10% each of the total annual basic, housing and transport allowances to Pension Fund Administrators (PFAs). The Bank does not have any additional legal or constructive obligation to pay further contributions if the PFAs do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

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26 Other liabilities

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
<i>Financial liabilities</i>				
Sundry liabilities (see note (c) below)	826,591	826,283	8,499	93,663
PMTF debt service reserve fund (see note (a) below)	558,806	709,798	582,760	709,798
Due to PMTF (see note (b) below)	2,749,915	2,678,755	2,749,915	2,678,755
	4,135,312	4,214,836	3,341,174	3,482,216
<i>Non-financial liabilities</i>				
Back duty tax payable	20	2,014	20	2,014
Sundry liabilities (see note (d) below)	30,192	190,405	30,192	190,405
N. H. F. contribution payable	3,393	3,447	3,393	3,447
ITF contribution payable	2,975	2,864	1,303	1,192
P. A. Y. E. payable	37,910	45,239	37,910	45,239
Withholding tax payable	16,676	6,225	16,676	6,225
VAT payable	5,525	5,965	5,525	5,965
Total	4,232,003	4,470,995	3,436,193	3,736,703
Current	4,232,003	4,470,995	3,436,193	3,736,703
Non-current	-	-	-	-
Carrying amount	4,232,003	4,470,995	3,436,193	3,736,703

- (a) Public Mass Transit Revolving Fund (PMTF) debt service contribution represents the deposits and advance repayments received from the beneficiaries of the Public Mass Transit Revolving Fund Scheme being managed on behalf of the Federal Government of Nigeria. The deposit is held to mitigate against the risk of liquidity constraints, which may be experienced from time to time by the beneficiaries in repayment of their loan obligations to the fund. The deposit is non-interest bearing and will be repayable to the fund when the beneficiaries complete their loan repayment obligations. More details on the PMTF is disclosed in note 31.
- (b) Amount represents obligation to the Public Mass Transit Fund as at year end.
- (c) Amount relates to payables to several creditors of the Group during the year.
- (d) Amount relates to payable on obligation on other statutory obligation such as NSITF and ITF

27 Deposit for shares

		Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>	Notes				
Balance, beginning of the year (a)		3,035,070	35,070	3,000,000	-
Additions during the year		-	3,000,000	-	3,000,000
Transfer to Share Capital	30(a)	(3,000,000)	-	(3,000,000)	-
Closing Balance		35,070	3,035,070	-	3,000,000

- (a) This relates to deposit for shares in Marina Express Train Services Ltd from Unity Bank Plc, Polaris Bank Ltd, Optia Capital, 3V Partners and Power China.

28 Statement of prudential adjustments

Loans and advances to customers		Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>	Notes				
ECL impairment allowance on loans and ad	17(a)			581,462	581,462
Specific impairment allowance on loans and	17(a)			-	-
Total impairment allowance on loans and advances (a)	16			581,462	581,462
Total impairment based on prudential guidelines (b)				581,462	581,462
Difference (c) = (a) - (b)				-	-

In accordance with Central Bank of Nigeria Prudential Guidelines, the Bank did not make any transfer to the regulatory risk reserve during the year because IFRS 9 impairment allowance is equal to impairment based on prudential guidelines.

**Notes to the consolidated and separate financial statements
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29 Cash flows used in operations		Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023
Profit/(loss) for the year		847,092	(1,358,596)	856,600	1,489,768
Adjustments for non-cash items:					
Income tax expense	13(a)	16,309	(91,202)	16,309	(92,144)
Depreciation of property and equipment	21	20,341	7,601	20,341	7,601
Amortisation of intangible assets	22	6,852	286	6,852	286
Unrealized foreign exchange gain	10	628	3,295	628	2,195
Impairment charge on financial assets	18(b)	2,715	2,872,874	2,715	-
Gain on disposal of property and equipment	10	(1,787)	(1,465)	(1,787)	(1,465)
Provisions	11(d)	-	3,031	-	3,031
Fair value of investment properties	20	(638,120)	(433,816)	(638,120)	(433,816)
Finance cost	11(e)	37,449	14,075	37,449	14,075
Interest income	8(a)	(4,957)	(18,657)	(1,324)	(13,540)
		286,522	997,426	299,663	975,991
Change in operating assets and liabilities:					
(Increase) in fee income receivables	28(b)	(47)	-	-	-
(Increase)/Decrease in other assets	28(c)	(48,852)	33,118	(19,677)	26,060
Decrease in employee benefits payable	28(d)	12,920	(168,992)	12,920	(168,992)
Decrease in other liabilities	28(e)	(238,992)	(838,188)	(300,510)	(808,275)
Decrease/(Increase) in provisions and accruals	28(f)	(110,491)	19,163	(122,104)	19,163
Increase/(decrease) in Deposit for shares	28(g)	-	3,000,000	-	3,000,000
		(98,940)	3,042,527	(129,708)	3,043,947

Reconciliation notes to consolidated and separate statements of cash flows

28(b) Fee income receivable		Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023
Balance, beginning of year	(17a)	1,711,058	2,642,606	1,711,058	2,642,606
Balance, end of year	(17a)	1,711,105	2,642,606	1,711,058	1,711,058
Impact on cashflow		(47)	-	-	931,548

28(c) Other assets		Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023
<i>Financial assets</i>					
Balance, beginning of year	18(a)	5,786,969	5,828,586	1,359,571	1,394,130
Balance, end of year	18(a)	5,829,581	5,786,969	1,359,571	1,359,571
		(42,612)	41,617	-	34,559
<i>Non-financial assets</i>					
Balance, beginning of year	18(a)	22,499	14,000	23,042	14,543
Balance, end of year	18(a)	29,112	22,499	42,719	23,042
		(6,613)	(8,499)	(19,677)	(8,499)
Impact on cashflow		(48,852)	33,118	(19,677)	26,060

28(d) Employee benefits		Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023
Balance, beginning of year	25	102,761	271,753	102,761	271,753
Balance, end of year	25	115,681	102,761	115,681	102,761
Impact on cashflow		12,920	(168,992)	12,920	(168,992)

**Notes to the consolidated and separate financial statements
for the year ended 31 December 2024**

28(e) Other liabilities			Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023	2023
Balance, beginning of year	26	4,470,995	5,309,183	3,736,703	4,544,978	
Balance, end of year	26	4,232,003	4,470,995	3,436,193	3,736,703	
Impact on cashflow		(238,992)	(838,188)	(300,510)	(808,275)	
28(f) Provisions			Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023	2023
Balance, beginning of year	24	135,805	116,642	134,048	114,885	
Balance, end of year	24	24,602	135,805	18,477	134,048	
Impact on cashflow		(110,491)	19,163	(122,104)	19,163	
28(g) Deposit for shares			Group	Group	Bank	Bank
<i>In thousands of Naira</i>	Notes	2024	2023	2024	2023	2023
Balance, beginning of year	27	(3,000,000)	-	(3,000,000)	-	
Balance, end of year	27	35,070	3,000,000	-	3,000,000	
Impact on cashflow		(3,035,070)	(3,000,000)	(3,000,000)	(3,000,000)	

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

30 Capital and reserves

30(a) Share capital

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Issued and paid up share capital				
6,206,000 ordinary shares of N0.50k each	3,103,000	3,103,000	3,103,000	3,103,000
Issue of shares	3,000,000	-	3,000,000	-
	6,103,000	3,103,000	6,103,000	3,103,000

30(b) Capital contribution reserve

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Contributions from Federal Government of Nigeria	1,391,230	1,391,230	1,391,230	1,391,230
	1,391,230	1,391,230	1,391,230	1,391,230

This represents contribution by the Federal Government of Nigeria (FGN) in form of budgetary allocations in its capacity as a shareholder to meet salaries arrears for staff. These contributions were all made by the Federal Government of Nigeria in its capacity as a Sponsor of the Bank prior to 2007, when private investors acquired a controlling interest in the Bank. No equity shares were offered nor expected in respect of the contribution, and there was no intention for the monies to be recovered at a future date.

30(c) Revaluation reserve

	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
<i>In thousands of Naira</i>				
Balance, beginning of year	1,313,181	1,181,181	1,313,181	1,181,181
Revaluation gain on land during the year	-	120,000	-	120,000
Tax impact on revaluation gain	-	12,000	-	12,000
Correction of prior year tax impact on revaluation gain	(24,000)	-	(24,000)	-
Balance, end of year	1,289,181	1,313,181	1,289,181	1,313,181

Revaluation reserve represents surplus arising from the revaluation of the Bank's Head office land. The land was valued on the basis of open market value subject to existing use. The valuation of the Head office leasehold land, Lagos land and Kano land was carried out by Osas & Oseji Estate Surveyors and Valuers (see note 21).

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

30(d) Accumulated losses

<i>In thousands of Naira</i>	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Balance, beginning of year	(8,816,518)	(7,469,672)	(6,589,818)	(8,079,586)
Profit/(loss) for the year	850,374	(1,346,846)	856,600	1,489,768
Balance, end of year	(7,966,144)	(8,816,518)	(5,733,218)	(6,589,818)

Accumulated losses are the carried forward recognised income net of expenses plus current period profit or loss attributable to shareholders.

30(e) Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

The following table summarises the information relating to the group's subsidiary that has been classified as Non-Controlling Interest (NCI), i.e. Motorways Asset Limited (MAL) which represents 34.5% of the net assets of the subsidiary.

<i>In thousands of Naira</i>	MAL 31 December 2024	METSL 31 December 2024	MAL 31 December 2023	METSL 31 December 2023
NCI percentage	34.5%	6.3%	34.5%	6.3%
Non-current assets	5,753,609	-	5,753,609	-
Current assets	-	3,088,308	-	3,088,308
Current liabilities	(1,957,107)	(3,084,509)	(1,957,362)	(3,084,557)
Net assets	3,796,502	3,799	3,796,247	3,751
Net assets attributable to NCI	1,309,793	240	1,309,705	237
Loss	(9,512)	-	(30,070)	(21,795)
OCI	-	-	-	-
Total comprehensive loss	(9,512)	-	(30,070)	(21,795)
Loss allocated to NCI	(3,282)	-	(10,374)	(1,377)
OCI allocated to NCI	-	-	-	-

30(f) Movement in non-controlling interests

<i>In thousands of Naira</i>	MAL 31 December 2024	METSL 31 December 2024	MAL 31 December 2023	METSL 31 December 2023
Balance, beginning of year	1,372,583	(48,556)	1,382,957	(47,180)
Share of post-acquisition loss	(3,282)	-	(10,374)	(1,376)
Total NCI at year end	1,369,301	(48,556)	1,372,583	(48,556)

<i>In thousands of Naira</i>	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Balance, beginning of year	1,308,591	1,320,341	-	-
Share of post-acquisition loss during the year	(3,282)	(11,750)	-	-
Total NCI at year end	1,305,309	1,308,591	-	-

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

31 Fiduciary activities

Fund under management

The Bank provides fund management services to the Federal Government of Nigeria in the administration of the N10 billion Public Mass Transit Revolving Fund (PMTF) Phase I established by the Federal Government of Nigeria from the 2009 Supplementary Act with the intention to provide affordable road transportation on a large scale to identified target group across the country and N15 billion Phase II of the PMTF Scheme created from the Subsidy Reinvestment and Empowerment Program (Sure-P) to provide buses for the Scheme as a palliative to the increase in the general transportation costs for the citizenry, following the partial removal of petroleum subsidies in January 2012.

The Bank administers the Fund in accordance with the Fund Management Agreements and the Public Mass Transit Fund (PMTF) lending policy guidelines of the Federal Government of Nigeria dated 23 February 2010 and 23 January 2012 for the Phase 1 and Phase 2 PMTF funds respectively.

The Bank shall indemnify and keep the FGN indemnified up to the full value of the Fund as may be affected or impaired by any factor either directly or indirectly attributable to failure on the Bank's part to perform its roles and obligation subject however to credits granted in the ordinary course of business and attendant (or ancillary or associated) risks, except if the failure is arising directly from the failure of the FGN to perform its own obligation. The Bank cannot assign or in any way transfer any of its rights or obligations in respect of the fund to any third party without the written consent of the Federal Government.

The Public Mass Transit Revolving Fund Phase I and Phase II was merged into a single fund, Move Nigeria Scheme (MNS). This is a project embarked on by the Federal Ministry of Finance (FMF).

The Bank, as the Fund Manager is expected to consolidate the operations of the PMTF I and II into the Move Nigeria Fund or Scheme. The Move Nigeria Fund was established with the objective of increasing the provision of rolling stock for affordable road mass transit services across the country.

The Fund is required to be administered in accordance with the Fund Management Agreement and the Investment policy Guidelines. The Fund Management Agreement for the Move Nigeria Scheme (MNS) was executed with the Federal Ministry of Finance on the 23rd of December 2020.

Funds under management are not liabilities to the Bank and are not recognised in the statement of financial position.

As at year end, the aggregate amount of the liabilities to the Bank which are not included in the statement of financial position is s

<i>In thousands of Naira</i>	2024	2023
Cash and cash equivalents	14,732,397	12,887,635
Loans and advances	9,646,137	10,055,387
Vehicles awaiting release	99,150	99,150
Other assets	2,677,541	2,677,541
Receivables from customers	1,083,576	1,116,076
	28,238,801	26,835,790

32 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures, as well as key management personnel.

(a) Subsidiary

Transactions between The Infrastructure Bank Plc and its subsidiaries; Marina Express Train Services Limited (METSL), Motorways Asset Limited (MAL), Infrastructure Heights Limited and TIB Asset Management Limited meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements. See note 19.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

The balances outstanding for Marina Express Train Services as at 31 December 2024 and 31 December 2023 are listed below:

Nature of transaction <i>In thousands of Naira</i>	Gross carrying amount		Impairment charge		Net carrying amount	
	Group	Bank	Group	Bank	Group	Bank
31 December 2024						
Income receivable	-	300,000	-	(300,000)	-	-
Other receivable	-	8,239	-	(8,239)	-	-
	-	308,239	-	(308,239)	-	-
31 December 2023						
Income receivable	-	300,000	-	(300,000)	-	-
Other receivable	-	510,066	-	(510,066)	-	-
	-	810,066	-	(810,066)	-	-

The balance outstanding for Infrastructure Heights Limited as at 31 December 2024 and 31 December 2023 are listed below:

Nature of transaction <i>In thousands of Naira</i>	Gross carrying amount		Impairment charge		Net carrying amount	
	Group	Bank	Group	Bank	Group	Bank
31 December 2024						
Income receivable	-	120,000	-	(120,000)	-	-
Other receivables	-	18,660	-	(18,660)	-	-
	-	138,660	-	(138,660)	-	-
31 December 2023						
Income receivable	-	120,000	-	(120,000)	-	-
Other receivables	-	30,920	-	(30,920)	-	-
	-	150,920	-	(150,920)	-	-

The balances outstanding for Motorways Asset Limited as at 31 December 2024 and 31 December 2023 are listed below:

Nature of transaction <i>In thousands of Naira</i>	Gross carrying amount		Impairment charge		Net carrying amount	
	Group	Bank	Group	Bank	Group	Bank
31 December 2024						
Borrowings	-	250,000	-	-	-	250,000
Other receivables	7,835	3,104	-	(3,104)	7,835	-
	7,835	253,104	-	(3,104)	7,835	250,000
31 December 2023						
Borrowings	-	250,000	-	-	-	250,000
Other receivables	231,546	3,104	-	(3,104)	231,546	-
	231,546	253,104	-	(3,104)	231,546	250,000

(c) Funds under management- Federal Government of Nigeria

<i>In thousands of Naira</i>	Group 2024	Bank 2024	Group 2023	Bank 2023
PMTF debt service reserve fund	558,806	709,798	709,798	744,807
Due to PMTF	2,749,915	2,677,541	2,678,755	2,677,541
Funds under management				
<i>In thousands of Naira</i>			2024	2023
PMTF				
Cash and cash equivalents			14,732,397	12,887,635
Loans and advances			9,646,137	10,055,387
Vehicles awaiting release			99,150	99,150
Other Assets			2,677,541	2,677,541
Receivables From Client			1,083,576	-
			28,238,801	25,719,714

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

(d) Transactions with key management personnel

The Bank's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Bank. Close members of family are those family members who may be expected to influence, or be influenced by those individuals in their dealings with the Bank.

Loans to key management

There are no loans to key management personnel during the year ended 31 December 2024 (2023: Nil)

Key management personnel compensation

Compensation to the Bank's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined contribution plans.

Key management personnel compensation comprise:

<i>In thousands of Naira</i>	2024	2023
Executive compensation	80,744	86,969
Directors fees	30,738	42,609
Directors allowances	9,939	32,557
	121,420	162,136

Directors' remuneration

The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

<i>In thousands of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Chairman	5,681	8,438	5,681	7,422
Highest paid director	80,744	86,969	80,744	86,969

The related party transactions disclosed above were based on normal market rates for such transactions and were due and payable under normal payment terms.

Interest rates charged on balances outstanding from loans to related parties are at ruling market prevailing rates. No interest was charged on on balances outstanding to related parties (2023: Nil).

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

33 Contravention of laws and regulations

During the year, the Bank paid penalty to the Central Bank of Nigeria for the late submission of the audited financial statements N3million (2023: N200,000).

34 Contingent liabilities and commitment

The Group in its ordinary course of business was involved in 8 cases as a defendant (2023: 8) and 1 case as a plaintiff (2023:1). The total amount claimed in the cases against the Group is estimated at N194.4 million (2023: N194.4 million) while the amount claimed in the cases by the Group is estimated at N100 million (2023: N100million). The Directors of the Group having sought advice of professional legal counsel are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation claim which may be material to the financial statements.

35 Going concern and regulatory capital plan

The Bank's share capital of ₦6.1 billion (2023: ₦3.1 billion) is below the minimum regulatory requirement of ₦10 billion as mandated by the Central Bank of Nigeria (CBN). This circumstance highlights a material uncertainty regarding the Bank's ability to continue its operations as a going concern, potentially hindering its capacity to realize assets and discharge their liabilities in the normal course of business.

However, the Bank is going through a process of recapitalisation by the shareholders through an initial right issue of N5bn, authorised by its shareholders at an EGM held in July 2024. This initiative received subsequent approval from the Securities and Exchange Commission (SEC) on 18 Nov, 2024.

The Bank is completing its rights issue, with most shareholders already subscribed as of the reporting date. The directors remaining optimistic about its success. This measure aims to reposition the Bank concerning regulatory capital and revised business strategy, aligning with its mandate as the premier focal point for Infrastructure Development in Nigeria.

The major shareholders of the Bank (Norrenberger Capital Limited Ministry of Finance) via a comfort letter have also confirmed their intention to continue to support the Bank financially for at least 12 months from the date of the approval of these financial statements.

Considering the aforementioned factors, the Directors reasonably expect that the Bank will continue to operate for the foreseeable future, allowing it to realize its assets and settle its liabilities in the ordinary course of business. Consequently, these financial statements have been prepared under the going concern assumption.

Notes to the consolidated and separate financial statements
for the year ended 31 December 2024

36 Events after the reporting date

As part of the bank's recapitalization strategy and commitment towards growth prospects and strategic initiatives for the bank, The shareholders resolved and approved to raise additional capital of up to N5bn through an offer by way of rights issue. The shareholders however approved that the bank's issued share capital be increased from N3,103,000,000 (Three billion, One Hundred and Three Million Naira) divided into 6,206,000,000 (Six Billion, Two Hundred and Six Million) Ordinary Shares of N0.50k (Fifty) Kobo each to N8,103,000,000 (Eight billion, One Hundred and Three Million Naira) divided into 16,206,000,000 (Sixteen Billion, Two Hundred Six Million) Ordinary Shares of N0.50k. The Corporate Affairs Commission certified the resolution and notice of the Increase in Issued Share Capital for the Bank. However, subsequent to the period end in 2025, some minority shareholders have indicated their interest to subscribe to the remaining N2bn rights issue of which the ministry of finance and Mr. Rabiul Suleiman already taken their right of N515 million and N22.6 million respectively

37 Reclassification

In 2024, the Group did a review of its presentation of its other miscellaneous income and decided to present Foreign exchange gain separately as a line item due to the materiality of the amounts and for better presentation of information.

The analysis below shows the amount reclassified in respect of the Other Income and the Foreign Exchange gain for 2023:

Other Income	Group	Bank
In thousands of Naira	2023	2023
Other miscellaneous income per 2023 financial statement	803,980	779,969
Amount reclassified to Foreign exchange gain	(3,295)	(2,195)
Other miscellaneous income	800,685	777,774

Foreign exchange gain	Group	Bank
In thousands of Naira	2023	2023
Foreign exchange gain per 2023 financial statement	-	-
Amount reclassified from other miscellaneous income	3,295	2,195
	3,295	2,195

Other national disclosures

Other national disclosures
Value added statement
for the year ended 31 December 2024

<i>In thousands of Naira</i>	Group 2024	%	Group 2023	%	Bank 2024	%	Bank 2023	%
Gross earnings	1,665,875		1,946,770		1,662,242		1,917,642	
Interest expense	(37,449)		(14,075)		(37,449)		(14,075)	
	1,628,426		1,932,695		1,624,793		1,903,567	
Net impairment loss on assets	(2,715)		(2,809,001)		(2,715)		63,873	
Bought-in-materials and services	(522,977)		(271,570)		(509,836)		(267,894)	
Value added	1,102,734	100	(1,147,876)	100	1,112,242	100	1,699,546	100

Distribution of Value Added				%		%		%
To Employees:								
Employees costs	212,140	19	294,035	(26)	212,140	34	294,035	17%
To government								
Government as taxes	16,309	1	(91,202)	8	16,309	1	(92,144)	-5%
Retained in business:								
- For replacement of property and equipment and software	27,193	2	7,887	(1)	27,193	1	7,887	0%
Retained in business:	847,092	77	(1,358,596)	118	856,600	64	1,489,768	88%
Value added	1,102,734	100	(1,147,876)	100	1,112,242	100	1,699,546	100%

Other national disclosures
Five-year financial summary
- Group

<i>In thousands of Naira</i>	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Assets					
Cash and cash equivalents	3,299,232	3,476,202	232,941	311,679	650,703
Loans and receivables	-	-	-	-	-
Fee income receivables	47	2,715	2,715	3,842	-
Other assets	106,813	57,961	2,963,953	6,478,098	6,477,553
Investment properties	3,378,120	2,740,000	2,306,184	1,728,921	-
Property and equipment	597,646	555,601	410,215	410,051	1,986,025
Intangible assets	31,202	17,001	1,363	8	1,923
Current income tax assets	-	-	-	-	620
Total assets	7,413,060	6,849,480	5,917,371	8,932,599	9,116,824
Liabilities					
Borrowings	487,449	450,000	200,000	200,000	200,000
Provision and accruals	24,602	135,805	151,712	121,279	391,107
Employee benefits obligations	115,681	102,761	271,753	295,622	298,509
Current income tax liabilities	85,679	69,366	12,299	383	-
Other liabilities	4,232,003	4,470,995	5,309,183	5,918,236	5,923,095
Deferred tax liabilities	310,000	286,000	446,344	446,344	446,344
Deposit for shares	35,070	3,035,070	-	-	-
Total liabilities	5,290,484	8,549,997	6,391,291	6,981,864	7,259,055
Net asset/(liabilities)	2,122,576	(1,700,516)	(473,920)	1,950,735	1,857,769
Equity					
Share capital	6,103,000	3,103,000	3,103,000	3,103,000	3,103,000
Capital contribution	1,391,230	1,391,230	1,391,230	1,391,230	1,391,230
Revaluation reserve	1,289,181	1,313,181	1,181,181	1,181,181	1,028,619
Accumulated losses	(7,966,144)	(8,816,518)	(7,469,672)	(5,072,204)	(5,012,889)
Non controlling interests	1,305,309	1,308,591	1,320,341	1,347,528	1,347,809
Total equity/(deficit)	2,122,576	(1,700,516)	(473,920)	1,950,735	1,857,769
Gross earnings	1,665,875	1,946,770	1,111,942	375,832	474,236
Profit/(loss) before income tax expense	863,401	(1,449,798)	(2,411,775)	(58,593)	(57,880)
Profit/(loss) after income tax	847,092	(1,358,596)	(2,424,655)	(59,596)	(59,148)
Profit/(loss) attributable to equity holders	847,092	(1,358,596)	(2,424,655)	(59,596)	(78,208)
Earnings/(loss) per share- Basic	7k	22k	(39)k	(1)k	(1)k
- Diluted	7k	22k	(39)k	(1)k	(1)k
Number of ordinary shares of N0.50 each	12,206,000	6,206,000	6,206,000	6,206,000	6,206,000

Other national disclosures

Financial Summary

- Bank

<i>In thousands of Naira</i>	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Assets					
Cash and cash equivalents	3,042,157	3,253,536	96,055	465,579	101,656
Loans and receivables	-	-	-	-	-
Fee income receivables	-	2,715	3,842	-	1,561
Other assets	115,807	88,881	39,128	7,849	14,762
Investment in subsidiaries	137,843	137,843	137,843	158,927	158,927
Investment properties	3,378,120	2,740,000	1,728,921		
Property and equipment	597,646	555,601	410,051	1,986,025	1,992,472
Intangible assets	31,202	17,001	8	1,923	4,989
Current income tax assets	-	-	435	1,438	-
Total assets	7,302,775	6,795,577	2,416,283	2,621,741	2,274,367
Liabilities					
Borrowings	287,449	250,000	22,502	23,954	24,480
Provision and accruals	18,477	134,048	115,842	385,777	218,625
Employee benefits obligations	115,681	102,761	295,622	298,509	242,399
Current income tax liabilities	84,782	68,473	-	-	812
Other liabilities	3,436,193	3,736,703	4,499,804	4,505,079	4,328,151
Deferred tax liabilities	310,000	286,000	446,344	446,344	446,344
Deposit for shares	-	3,000,000	-	-	-
Total liabilities	4,252,582	7,577,985	5,380,114	5,659,663	5,260,811
Net asset/(liabilities)	3,050,193	(782,407)	(2,963,831)	(3,037,922)	(2,986,444)
Equity					
Share capital	6,103,000	3,103,000	3,103,000	3,103,000	3,103,000
Capital contribution	1,391,230	1,391,230	1,391,230	1,391,230	1,391,230
Revaluation reserve	1,289,181	1,313,181	1,181,181	1,028,619	1,028,619
Accumulated losses	(5,733,218)	(6,589,818)	(8,639,242)	(8,560,771)	(8,509,293)
Total equity/(deficit)	3,050,193	(782,407)	(2,963,831)	(3,037,922)	(2,986,444)
Gross earnings	1,662,242	1,917,642	401,388	507,079	392,232
Profit/(loss) before income tax	872,909	1,397,624	(77,468)	(50,210)	(3,172,342)
Profit/(loss) after tax	856,600	1,489,768	(78,471)	(51,478)	(3,174,181)
Profit/(loss) attributable to equity holders	856,600	1,489,768	(78,471)	(51,478)	(3,174,181)
Earnings/(loss) per share - Basic	7k	22k	(1)k	(1)k	(51)k
- Diluted	7k	22k	(1)k	(1)k	(51)k
Number of ordinary shares of N0.50 each	12,206,000	6,206,000	6,206,000	6,206,000	6,206,000