



**The Infrastructure Bank Plc and Subsidiary  
Companies**

**Annual Report  
31 December 2021**

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## Corporate information

<b>Board of directors:</b>	Lamis Dikko	-	Chairman
	Ross Oluyede	-	Managing Director
	Akinade Akanmu Ogunbiyi	-	Non-executive Director
	Abdullahi Musa Bello	-	Non-executive Director
	Tanimu Yakubu Muhammad-Ja	-	Non-executive Director
	L. O. T. Shittu	-	Non-executive Director
	Promise Adewusi	-	Non-executive Director
	Anne Sanusi	-	Non-executive Director
	Mfon Ekong Usoro	-	Independent Non-executive Director
	Salawu Nuhu Ozigi	-	Non-executive Director
	Ali Mohammed <sup>1</sup>	-	Non-executive Director

<sup>1</sup> Appointed effective 16 February 2021

**Acting secretary:** Pirzing Binwai

**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:** KPMG Professional Services  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island, Lagos  
Nigeria  
[www.kpmg.com/ng](http://www.kpmg.com/ng)

**Bankers:** Access Bank Plc  
Citibank Nigeria Limited  
Ecobank Nigeria Limited  
First City Monument Bank Plc  
Guaranty Trust Bank Limited  
Providus Bank Plc  
Standard Chartered Bank Limited  
Sterling Bank Plc  
United Bank for Africa Plc  
Unity Bank Plc

**Independent valuer:** Jide Taiwo and Co. Estate Surveyors and Valuers  
FRC/2019/NIESV/00000019829

**RC No.:** 196688

**Tax Identification Number:** 01380871-0001

## **Chairman's statement**

### **Introduction**

2021 was another challenging year for The Infrastructure Bank PLC. The slow recovery from the economic malaise of the prior year resulted in a continuation of a difficult operating environment, which hindered our ability to execute existing pipeline opportunities in a timely fashion, as well as generate new business. The negative return posted against this backdrop has led to a thorough review of the Bank's approach, resulting in the reduction of operating costs and a more concerted effort to bolster the capital base upon which our operation can thrive.

### **Market environment**

Nigeria's economy grew by 3.6% in 2021 from a 1.8% contraction in 2020, underpinned on the supply side by 4.4% expansion in the non-oil sector against 8.3% contraction in the oil sector; non-oil growth was driven by agriculture (2.1%) and services (5.6%). On the demand side, public and private consumption were contributors to GDP growth. Per capita income grew by 1.0% in 2021. The fiscal deficit narrowed to 4.8% of GDP in 2021 from 5.4% in 2020, due to a modest uptick in revenues, and was financed by borrowing. Public debt stood at \$95.8 billion in 2021, or about 22.5% of GDP.

Annual average inflation stood at 17.0% in 2021 against 13.2% the previous year and above the central bank's 6–9% target. Inflation was fueled by food price rises at the start of the year and exchange rate pass-through. The central bank kept the policy rate unchanged at 11.5% in 2021 to support economic recovery. The current account deficit narrowed to 2.9% of GDP in 2021 from 4% the preceding year, supported by recovery in oil receipts

### **Financial performance**

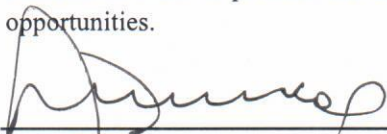
Loss before tax of N(58.6) million (2020: N(57.9) million for the Group and N(77.5) million (2020: N(50.2) million) for the Bank contributed to loss per share of (1) kobo, (2020: (1) kobo) and loss per share of (1) kobo, (2020: (1) kobo) for the Group and Bank respectively. Total consolidated loss of N(58.6) million (2020: N(57.9) million ) at the Group level and N(77.5) million (2020: N(50.2) million) at the Bank level contributed to closing Shareholders' Funds of N1.95 billion (2020: N1.86 billion ) for the Group and Shareholders' Funds of N2.96 billion deficit (2020: N3.04 billion deficit) for the Bank.

### **Board of directors**

The Board of Directors welcomed Mr. Ali Mohammed, as Director representing the Federal Ministry of Finance, on the Board of the Bank, subject to the approval of the Central Bank of Nigeria (CBN).

### **Outlook**

Our principal focus for the next financial year shall be on bringing a successful closure to the ongoing recapitalisation exercise in order to position the Bank to meet the peculiar challenges of our market and take advantage of its intrinsic opportunities.



Lamis Dikko

FRC/2013/IODN/00000004932

Chairman, Board of Directors

## Chief Executive Officer's statement

The slow down in the economy and general weakness experienced in the market in 2020 spilled over into 2021, thus prolonging the extremely difficult operating conditions. Whilst in the course of the year the metrics used to assess the economy trended positively, these rather pointed to a positive outlook for 2022 and beyond.

### Macroeconomic Overview

Nigeria's economy grew by 3.6% in 2021 from a 1.8% contraction in 2020, underpinned on the supply side by 4.4% expansion in the non-oil sector against 8.3% contraction in the oil sector; non-oil growth was driven by agriculture (2.1%) and services (5.6%). On the demand side, public and private consumption were contributors to GDP growth. Per capita income grew by 1.0% in 2021. The fiscal deficit narrowed to 4.8% of GDP in 2021 from 5.4% in 2020, due to a modest uptick in revenues, and was financed by borrowing. Public debt stood at \$95.8 billion in 2021, or about 22.5% of GDP.

Annual average inflation stood at 17.0% in 2021 against 13.2% the previous year and above the central bank's 6–9% target. Inflation was fueled by food price rises at the start of the year and exchange rate pass-through. The central bank kept the policy rate unchanged at 11.5% in 2021 to support economic recovery. The current account deficit narrowed to 2.9% of GDP in 2021 from 4% the preceding year, supported by recovery in oil receipts

### Financial performance

The recorded loss before tax of N(58.6) million (2020: N(57.8) million) for the Group and N(77.5) million (2020: N(50.2) million) for the Bank contributed to a loss per share return of (1) kobo (2020: (1) kobo) and (1) kobo (2020: (1) kobo) for the Group and Bank respectively. The negative return resulted from a combination of poor earnings and provisioning on financial assets (investments and long-standing receivables). The Bank continues to face challenges with the pace of execution of signature projects, principally due to factors outside of our control. As a result, we have remained cautious on income recognition across board without relenting on our commitment to striving for the timely achievement of execution milestones.

### Strategy and business model

As previously reported, the long-term strategy and adopted business model remains unchanged. However, we have taken action to reduce costs in the face of a need to adjust our resources and organisational structure to meet the market challenges. We have made significant progress in our efforts to substantially increase the Bank's capital base; whilst the diversification of the business has been advanced with the operationalisation of TIB Asset Management Limited, a wholly-owned subsidiary of the Bank focussed on 3rd Party Fund Management activity.

### Looking forward

In the short term, the outlook for growth in profits remain fragile for our business. Against this backdrop, we are actively expanding our project pipeline, developing existing projects and managing resources to match our income profile. The success of our ongoing recapitalization exercise is critical to the ability to develop new projects and increase our foot prints in the infrastructure space. The premise for the existence of The Infrastructure Bank PLC remains valid and I am confident in our ability to achieve the Bank's vision to be the premier focal point for infrastructure development in Nigeria whilst creating value for all stakeholders.



Ross Oluyede

FRC/2019/CIBN/00000019831

Ag. Managing Director / Chief Executive Officer  
Directors report 2021

## Directors' report

for the year ended 31 December 2021

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 2021.

### 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>	<b>Group 31 Dec 21</b>	<b>Group 31 Dec 20</b>	<b>Bank 31 Dec 21</b>	<b>Bank 31 Dec 20</b>
Gross earnings	403,984	508,390	401,388	507,079
Loss before minimum tax and income tax	(58,593)	(57,880)	(77,468)	(50,210)
Minimum tax	(1,003)	(1,268)	(1,003)	(1,268)
Loss for the year	(59,596)	(59,148)	(78,471)	(51,478)
Basic and diluted loss per share (kobo)	(1)	(1)	(1)	(1)

### Ownership structure

The issued and fully paid-up share capital of the Bank was 6,206,000,000 ordinary shares of 50k each as at 31 December 2021 (2020: 6,206,000,000 ordinary shares of 50k each). The shareholding structure as at the reporting date were as shown below:

<i>Shareholders</i>	<i>Number of Shares</i>	<i>31-Dec-21 Shareholding Percentage</i>	<i>Number of Shares</i>	<i>31-Dec-20 Shareholding Percentage</i>
Armdof Assets Ltd	2,383,913,260	38.4%	2,383,913,260	38.4%
Federal Government of Nigeria (represented by Ministry of Finance Incorporated)	640,000,000	10.3%	640,000,000	10.3%
Local Governments of Nigeria (represented by the Association of Local Governments of Nigeria)	640,000,000	10.3%	640,000,000	10.3%
Mutual Life Assurance Limited	565,128,000	9.1%	565,128,000	9.1%
Rahasset Nigeria Limited	349,247,902	5.6%	349,247,902	5.6%
State Governments and Federal Capital Territory of Nigeria (represented by the Nigeria Governors' Forum)	320,000,000	5.2%	320,000,000	5.2%
Nigeria Labour Congress	320,000,000	5.2%	320,000,000	5.2%
ICHL Nigeria Limited	271,712,340	4.4%	271,712,340	4.4%
Estate of Hakeem Olamide Sanusi	262,264,140	4.2%	262,264,140	4.2%
Corporate Oil & Gas Limited	112,725,000	1.8%	112,725,000	1.8%
Chief Ladi Taiwo	92,524,680	1.5%	92,524,680	1.5%
Afcap Consulting (Pty) Ltd	58,436,640	0.9%	58,436,640	0.9%
Rabiu Suleiman Bichi	56,130,738	0.9%	56,130,738	0.9%
Professor A.L Mabogunje	43,827,480	0.7%	43,827,480	0.7%
Adegbite Adeniji	24,348,600	0.4%	24,348,600	0.4%
Anne Tarieri Sanusi	24,348,600	0.4%	24,348,600	0.4%
Kazeem Olanipekun Sanusi	14,609,160	0.2%	14,609,160	0.2%
Olanrewaju Olufunmilola Olawuyi	12,174,300	0.2%	12,174,300	0.2%
Olugbenga Moses Babatunde	9,739,440	0.2%	9,739,440	0.2%
Bolaji Lawal	4,869,720	0.1%	4,869,720	0.1%
<b>Total</b>	<b>6,206,000,000</b>	<b>100%</b>	<b>6,206,000,000</b>	<b>100%</b>

## Directors' report

for the year ended 31 December 2021

On 6 April 2021, a new investor, Norrenberger Investment and Capital Management Limited, credited the Bank's escrow account with N1,944,986,672, for purchase of 60% equity (3,740,358,986 shares) in the Bank. However, as at year end, no new capital has been brought in by Norrenberger Investment and Capital Management Limited.

### 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 were as follows:

Director	31-Dec-21		31-Dec-20	
	Direct	Indirect	Direct	Indirect
Lamis Dikko	-	117,697,526	-	117,697,526
Akinade Akanmu Ogunbiyi	-	-	-	-
Abdullahi Musa Bello	-	487,297,488	-	487,297,488
Tanimu Yakubu Muhammad-Ja	-	349,247,902	-	349,247,902
L.O.T. Shittu	-	-	-	-
Promise Adewusi	-	-	-	-
Anne Sanusi	160,000,000	126,612,720	160,000,000	126,612,720
Mfon Ekong Usoro	-	-	-	-
Ross Oluyede	-	-	-	-
Salawu Nuhu Ozigi	-	-	-	-
Ali Mohammed <sup>1</sup>	-	-	-	-

<sup>1</sup> Appointed effective 16 February 2021

### Directors' interests in contracts

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

Related Director	Interest in entity	Name of Company	Services to the Bank
Akinade Akanmu Ogunbiyi	Director	Mutual Benefits Assurance Plc	Insurance

### Property and equipment

Information relating to property and equipment is given in Note 19 to the 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 pattern of the Bank as at 31 December 2021 was as stated below:

Share range	31-Dec-21		31-Dec-20	
	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1,000,000-50,000,000	7	35.0%	133,917,300	2.2%
50,000,001 – 100,000,000	3	15.0%	207,092,058	3.3%
100,000,001 – 500,000,000	6	30.0%	1,635,949,382	26.4%
500,000,001– 6,000,000,000	4	20.0%	4,229,041,260	68.1%
	20	100.0%	6,206,000,000	100.0%

The shareholding pattern of the Bank as at 31 December 2021 was as stated below:

Share range	31-Dec-21		31-Dec-20	
	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1,000,000-50,000,000	7	35.0%	133,917,300	2.2%
50,000,001 – 100,000,000	3	15.0%	207,092,058	3.3%
100,000,001 – 500,000,000	6	30.0%	1,635,949,382	26.4%
500,000,001– 6,000,000,000	4	20.0%	4,229,041,260	68.1%
	20	100.0%	6,206,000,000	100.0%

### Substantial interest in shares

According to the register of members at 31 December 2021, no shareholder held more than 5% of the issued share capital of the Bank except the following:

## Directors' report

for the year ended 31 December 2021

Shareholders	31 December 2021		31 December 2020	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Armdof Assets Ltd	2,383,913,260	38.4%	2,383,913,260	38.4%
Federal Government of Nigeria (represented by Ministry of Finance Incorporated)	640,000,000	10.3%	640,000,000	10.3%
Local Governments of Nigeria (represented by the Association of Local Governments of Nigeria)	640,000,000	10.3%	640,000,000	10.3%
Mutual Life Assurance Limited	565,128,000	9.1%	565,128,000	9.1%
Rahasset Nigeria Limited	349,247,902	5.6%	349,247,902	5.6%
State Governments and Federal Capital Territory of Nigeria (represented by the Nigeria Governors' Forum)	320,000,000	5.2%	320,000,000	5.2%
Nigeria Labour Congress	320,000,000	5.2%	320,000,000	5.2%

### Donations and charitable contributions

The Bank identifies with the aspirations of the community and the environment in which it operates. However no donations were made during the year ended 31 December, 2021. (2020: 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.

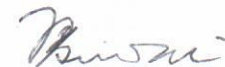
### Events after reporting date

The Bank had no events after the financial position date that will materially affect the financial position shown in these financial statements.

### Auditor

The Bank's auditor, Messrs. KPMG Professional Services have completed the ten year required for mandatory audit rotation. In accordance with section 5.2.12 of Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount houses in Nigeria and section 20.2 of Financial Reporting Council of Nigeria (FRCN) Nigerian Code of Corporate Governance 2018, KPMG Professional Services will not be eligible for reappointment as the Bank's auditor in the next annual general meeting of the Bank.

BY ORDER OF THE BOARD



Pirzing Binwai  
FRC/2014/NBA/00000010618  
Acting Company Secretary  
Plot 977 Central Business District  
(Adjacent National Mosque)  
Abuja F.C.T.  
Nigeria  
10 November 2022

## Corporate governance report

for the year ended 31 December 2021

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; 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 6,206,000,000 ordinary shares of 50 kobo each. As at 31 December 2021, the Bank's share capital was fully issued and paid-up with 6,206,000,000 ordinary shares of 50 kobo each.

The shareholding structure is shown below:

Shareholder	2021		2020	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Armdof Assets Ltd	2,383,913,260	38.4%	2,383,913,260	38.4%
Federal Government of Nigeria	640,000,000	10.3%	640,000,000	10.3%
Local Governments of Nigeria	640,000,000	10.3%	640,000,000	10.3%
Mutual Life Assurance Limited	565,128,000	9.1%	565,128,000	9.1%
Rahasset Nigeria Limited	349,247,902	5.6%	349,247,902	5.6%
State Governments and Federal Capital Territory of Nigeria	320,000,000	5.2%	320,000,000	5.2%
Nigeria Labour Congress	320,000,000	5.2%	320,000,000	5.2%
ICHL Nigeria Limited	271,712,340	4.4%	271,712,340	4.4%
Estate of Hakeem Olamide Sanusi	262,264,140	4.2%	262,264,140	4.2%
Corporate Oil & Gas Limited	112,725,000	1.8%	112,725,000	1.8%
Chief Ladi Taiwo	92,524,680	1.5%	92,524,680	1.5%
Afcap Consulting (Pty) Ltd	58,436,640	0.9%	58,436,640	0.9%
Rabiu Suleiman Bichi	56,130,738	0.9%	56,130,738	0.9%
Professor A.L Mabogunje	43,827,480	0.7%	43,827,480	0.7%
Adebite Adeniji	24,348,600	0.4%	24,348,600	0.4%
Anne Tarieri Sanusi	24,348,600	0.4%	24,348,600	0.4%
Kazeem Olanipekun Sanusi	14,609,160	0.2%	14,609,160	0.2%
Olanrewaju Olufunmilola Olawuyi	12,174,300	0.2%	12,174,300	0.2%
Olugbenga Moses Babatunde	9,739,440	0.2%	9,739,440	0.2%
Bolaji Lawal	4,869,720	0.1%	4,869,720	0.1%
<b>Total</b>	<b>6,206,000,000</b>	<b>100%</b>	<b>6,206,000,000</b>	<b>100%</b>

## Corporate governance report

for the year ended 31 December 2021

### 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 Chairman of the Board is Alhaji Lamis Dikko. Alhaji Dikko joined Habib Bank Nigeria Limited in 1986, where he served for twelve years and left as an Assistant General Manager. He moved to Intercity Bank Plc in 1998 as a General Manager and was appointed the Bank's Managing Director/CEO in 2001, a position he held until Intercity Bank Plc merged with eight other banks to form Unity Bank Plc in 2005. He was initially Executive Director, Credit Risk Management of Unity Bank prior to being made the Group Executive Director, Central Region.

Alhaji Dikko attended College of Advanced Studies, Zaria from 1976 to 1978; he attained his first degree in Economics from Ahmadu Bello University (1981); and was at the Queen Mary College, University of London between 1981 to 1984, where he obtained a Bachelor of Science degree in Economics. He is also an alumnus of the Harvard Business School Leadership Program.

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 2021 were as follows:

<b>Name</b>	<b>Designation</b>
Lamis Dikko	- Chairman
Ross Oluyede	- Executive Director
Akinade Akanmu Ogunbiyi	- Non-executive Director
Abdullahi Musa Bello	- Non-executive Director
Tanimu Yakubu Muhammad-Ja	- Non-executive Director
Salawu Nuhu Ozigi	- Non-executive Director
L.O.T. Shittu	- Non-executive Director
Promise Adewusi	- Non-executive Director
Anne Sanusi	- Non-executive Director
Ali Mohammed	- Non-executive Director
Mfon Ekong Usoro	- Independent 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 2021

### 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 2021 is set out below:

NAME	BCIC	BF&GPC	BGRNC	BA&RMC
Lamis Shehu Dikko (NED)	-	-	-	-
Akin Ogunbiyi (NED)	-	-	M	M
Abdullahi Musa Bello (NED)	M	M	M	-
Tanimu Yakubu Muhammad-Ja (NED)	C	M	-	-
LOT Shittu (NED)	-	-	C	M
Ross Oluyede (ED)	M	M	-	-
Promise Adewusi (NED)	-	C	M	-
Anne Sanusi (Represented by her alternate Kazeem Sanusi) (NED)	-	M	-	M
Mfon Usoro (INED)	-	-	M	C
Ali Mohammed	-	-	-	-
Salawu Nuhu Ozigi (NED)	M	-	M	-

### Index

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 Alhaji L.O.T. Shittu. Alhaji Shittu is the Executive Director, Strategy & Research, at the Nigeria Governors' Forum. He is the Board representative of the Nigeria Governors' Forum.

He has over 25 years of experience in both public and private sectors in Nigeria including holding directorships at Ocean Atlantic Dredging Company and Nigerian Communications Commission. He holds a Master of Development Banking and Finance from Giordano Del Amore Institute of Banking & Finance, Italy, as well as a bachelor's degree in Economics from Wittenberg University, USA.

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 2021

### 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. Muhammad-Ja, a Board representative of ICHL Nigeria Limited. Mr. Muhammad-Ja has more than 24 years' experience as a seasoned businessman, an economist, a financial analyst and an investment banker. Mr. Muhammad-Ja has worked in several capacities within the financial and public service sectors of the Nigerian economy. He has BSc. in Economics and MBA in Finance from Wagner College, Staten Island, USA.

### 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 Comrade Promise Adewusi. Comrade Adewusi is the Deputy President of the Nigeria Labour Congress and also National President of the Senior Staff Association of Nigerian Universities having retired from the University of Lagos after 35 years of meritorious service. Comrade Adewusi is also a lawyer having obtained his Bachelors and Masters of Law from the Lagos State University in 2002 and 2007 respectively. He was called to the Nigerian Bar in 2004. He is a seasoned member of the Nigerian Labour movement and author of several books on Labour Law and Trade Unionism in Nigeria. He represents the Nigeria Labour Congress on the Board of the Bank.

### Attendance at Board Committee Meetings

During the financial year ended 31 December 2021, 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: 1	Number of meetings held: 1	Number of meetings held: 3
Lamis Dikko (NED)	N/A	N/A	N/A	N/A	✓✓✓
Ross Oluyede (Ag.MD/CEO)	✓	✓	N/A	✓✓	✓✓✓
Akinade Ogunbiyi (NED)	N/A	N/A	-	✓✓	✓
Abdullahi Musa Bello (NED)	✓	✓	✓	N/A	✓
Tanimu Yakubu Muhammad-Ja (NED)	✓	-	N/A	N/A	✓✓✓
L.O.T Shittu (NED)	N/A	N/A	✓	✓	✓✓
Nuhu Salawu Ozigi (NED)	✓	N/A	✓	N/A	✓
Promise Adewusi (NED)	N/A	✓	✓	N/A	✓✓✓
Kazeem Sanusi (NED)	N/A	✓	✓	✓✓	✓✓✓
Ali Mohammed (NED)	N/A	N/A	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

## **Corporate governance report**

*for the year ended 31 December 2021*

### **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 also has a Staff Policy Manual, which provides guidelines for addressing violations or breaches and for ensuring enforcement of discipline with respect to 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 primary duty of assisting the Board and Management in developing and implementing good corporate governance standards. The Company Secretary ensures that there is timely and appropriate information dissemination within and to the Board of Directors.

**Statement of directors' responsibilities in relation to the financial statements for the year ended 31 December 2021**

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 International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The directors further accept responsibility for maintaining adequate accounting records as required by the 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.

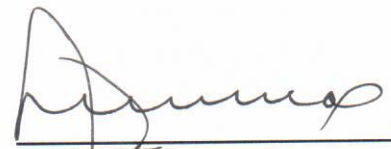
The directors have made assessment of the Bank's ability to continue as a going concern and believe that based on the plans stated in note 32, they have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



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Ross Oluyede  
FRC/2019/CIBN/00000019831  
Ag. Managing Director / Chief Executive Officer  
10 November 2022



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Lamis Dikko  
FRC/2013/IODN/00000004932  
Chairman, Board of Directors  
10 November 2022

## 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 2021 as follows:

- We have exercised our statutory functions under section 404(7) of the Companies and Allied Matters Act 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 2021 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.



\_\_\_\_\_  
Tope Fasua  
Chairman, Statutory Audit Committee  
FRC/2016/ICAN/00000014989  
10 November 2022

Members of the Statutory Audit Committee are:

1	Tope Fasua	Chairman
2	Akinade Ogunbiyi	Member
3	Mfon Usoro	Member

In attendance:

Pirzing Binwai - Acting Company Secretary

## Statement of Corporate Responsibilities for the Financial Statements for the year ended 31 December 2021

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 2021 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the TIB Group for the year ended 31 December 2021.
- 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 2021.
- 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 2021.
- 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.



Ross Oluyede  
FRC/2019/CIBN/00000019831  
Ag. Managing Director / Chief Executive Officer  
10 November 2022



Mustapha Isiaka Kolawole  
FRC/2019/ICAN/00000019345  
Ag. Head of Finance  
10 November 2022



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 Plc ("the Bank") and its subsidiaries (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory 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 Bank and its subsidiaries as at 31 December, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and Bank in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the 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 32 of the consolidated and separate financial statements, which indicates that the Group and Bank incurred a loss after tax of ₦59.60 million and ₦78.47 million respectively for the year ended 31 December 2021. The Bank shareholders' fund of a negative ₦2.96 billion was significantly below the minimum regulatory capital of ₦10 billion, required by the Central Bank of Nigeria (CBN) for Retail Development Finance institutions (RDFIs) in Nigeria. The Bank's Capital Adequacy Ratio of negative 386% was also below the 10% required by the CBN. As stated in Note 32, these events or conditions, along with other matters as set forth in Note 32 indicate that a material uncertainty exists that may cast significant

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#### Partners:

Adegoke A. Oyelami	Boluwaji D. Apanpa	Martins I. Arogie	Olutoyin I. Ogunlowo	Williams I. Erimona
Adetola P. Adeyemi	Chibuzor N. Anyanechi	Mohammed M. Adama	Oluwafemi O. Awotoye	
Adevale K. Ajayi	Chineme B. Nwigbo	Nneka C. Eluma	Oluwatoyin A. Gbagi	
Ajibola O. Olomola	Dunni D. Okegbemila	Oguntay O. Ogungbenro	Omolara O. Ogun	
Akinwale O. Alao	Elijah O. Oladunmoye	Olaimpe S. Afolabi	Oseme J. Obalaje	
Akinwami J. Ashade	Goodluck C. Obi	Oladimiji I. Salaudeen	Termitope A. Onitiri	
Ayobami L. Salami	Ibitomi M. Adepouju	Olanike I. James	Tolulope A. Odukale	
Ayodele A. Soyinka	Ijeoma T. Ermezio-Ezigbo	Olufemi A. Babem	Uzochukwu N. Obienu	
Ayodele H. Othiwa	Kabir O. Okuntola	Olumide O. Olayinka	Uzodinma G. Nwankwo	
Bolanle S. Afolabi	Lawrence C. Amadi	Olusegun A. Sowande	Victor U. Onyenkpa	



doubt on the group's and the Bank's ability to continue as a going concern. Note 32 also explains the Directors' remedial plan to enable the Group and Bank to realize its assets and settle its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Apart from the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to be communicated in our report.

### **Information Other than the Financial Statements and Audit Report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but 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 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 of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 financial statements.



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

- Identify and assess the risks of material misstatement of the 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 and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 Bank to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with Board of 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**

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.*

- i. 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.
- ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books.
- iii. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

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

- i. The Bank and Group paid penalties in respect of contravention of section 26(1) of BOFIA during the year ended 31 December 2021. Details of penalties paid are disclosed in note 30 to the financial statements.
- ii. Related party transactions and balances are disclosed in note 29 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

*A. A. Oyelami*

Oyelami Adegoke FCA  
FRC/2012/ICAN/00000000444  
For: KPMG Professional Services  
Chartered Accountants  
30 December 2022  
Lagos, Nigeria



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

<i>In thousands of Naira</i>	Notes	<b>Group</b> <b>2021</b>	<b>Group</b> <b>2020</b>	<b>Bank</b> <b>2021</b>	<b>Bank</b> <b>2020</b>
<b>Gross earnings</b>		<b>403,984</b>	<b>508,390</b>	<b>401,388</b>	<b>507,079</b>
Interest income calculated using effective interest method	7	2,596	1,311	-	-
<b>Net interest income</b>		<b>2,596</b>	<b>1,311</b>	<b>-</b>	<b>-</b>
Fees and commission income	8(a)	373,236	472,925	373,236	472,925
<b>Net fees and commission income</b>		<b>373,236</b>	<b>472,925</b>	<b>373,236</b>	<b>472,925</b>
Other income	9	28,152	34,154	28,152	34,154
<b>Operating income</b>		<b>403,984</b>	<b>508,390</b>	<b>401,388</b>	<b>507,079</b>
Writeback/(Impairment) on financial assets	11	-	46	(21,810)	(219)
Net operating income net of impairment losses		403,984	508,436	379,578	506,860
Personnel expenses	10(b)	(228,077)	(273,078)	(224,963)	(266,670)
Depreciation and amortisation	10(a)	(6,513)	(9,851)	(6,513)	(9,851)
Other operating expenses	10(d)	(227,987)	(283,387)	(225,570)	(280,549)
Total expenses		(462,577)	(566,316)	(457,046)	(557,070)
<b>Operating loss</b>		<b>(58,593)</b>	<b>(57,880)</b>	<b>(77,468)</b>	<b>(50,210)</b>
<b>Loss before minimum tax and income tax</b>		<b>(58,593)</b>	<b>(57,880)</b>	<b>(77,468)</b>	<b>(50,210)</b>
Minimum tax	12(a)	(1,003)	(1,268)	(1,003)	(1,268)
Income tax	12(a)	-	-	-	-
<b>Loss for the year</b>		<b>(59,596)</b>	<b>(59,148)</b>	<b>(78,471)</b>	<b>(51,478)</b>
<b>Other comprehensive income, net of income tax</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation gain on property and equipment	19	152,562	-	152,562	-
		<b>152,562</b>	<b>-</b>	<b>152,562</b>	<b>-</b>
<b>Total comprehensive Income/(loss) for the year</b>		<b>92,966</b>	<b>(59,148)</b>	<b>74,091</b>	<b>(51,478)</b>
Loss attributable to:					
Equity holders of the Bank	27(d)	(59,315)	(58,893)	(78,471)	(51,478)
Non-controlling interest	27(e)	(281)	(255)	-	-
Loss for the year		(59,596)	(59,148)	(78,471)	(51,478)
Total comprehensive loss attributable to:					
Equity holders of the Bank	27(d)	93,247	(58,893)	74,091	(51,478)
Non-controlling interest	27(e)	(281)	(255)	-	-
Total comprehensive Income/(loss) for the year		92,966	(59,148)	74,091	(51,478)
<b>Loss per share</b>					
Basic loss per share (kobo)	13	(1)	(1)	(1)	(1)
Diluted loss per share (kobo)	13	(1)	(1)	(1)	(1)

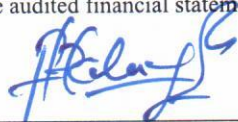
*The accompanying notes form an integral part of these consolidated and separate financial statements.*

**Consolidated and separate statements of financial position**

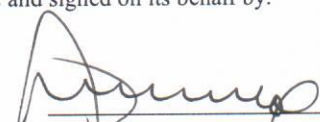
As at 31 December

<i>In thousands of Naira</i>	Notes	Group 2021	Group 2020	Bank 2021	Bank 2020
<b>Assets</b>					
Cash and cash equivalents	14	311,679	650,703	96,055	465,579
Loans and advances to customers	15	-	-	-	-
Fee income receivables	16	3,842	-	3,842	-
Other assets	17(a)	6,478,098	6,477,553	39,128	7,849
Investment in subsidiaries	18	-	-	137,843	158,927
Current tax assets	12(d)	-	620	435	1,438
Property and equipment	19	2,138,972	1,986,025	2,138,972	1,986,025
Intangible assets	20	8	1,923	8	1,923
<b>Total assets</b>		<b>8,932,599</b>	<b>9,116,824</b>	<b>2,416,283</b>	<b>2,621,741</b>
<b>Liabilities</b>					
Borrowings	21(a)	200,000	200,000	22,502	23,954
Provisions and accruals	22	121,279	391,107	115,842	385,777
Employee benefits	23	295,622	298,509	295,622	298,509
Current tax liabilities	12(d)	383	-	-	-
Deferred tax liabilities	12(b)	446,344	446,344	446,344	446,344
Other liabilities	24	5,918,236	5,923,095	4,499,804	4,505,079
<b>Total liabilities</b>		<b>6,981,864</b>	<b>7,259,055</b>	<b>5,380,114</b>	<b>5,659,663</b>
<b>Equity</b>					
Share capital	27(a)	3,103,000	3,103,000	3,103,000	3,103,000
Capital contribution reserve	27(b)	1,391,230	1,391,230	1,391,230	1,391,230
Revaluation reserves	27(c)	1,181,181	1,028,619	1,181,181	1,028,619
Accumulated losses	27(d)	(5,072,204)	(5,012,889)	(8,639,242)	(8,560,771)
Total equity attributable to owners of the Bank		<b>603,207</b>	<b>509,960</b>	<b>(2,963,831)</b>	<b>(3,037,922)</b>
Non controlling interest	27(e)	1,347,528	1,347,809	-	-
<b>Total equity</b>		<b>1,950,735</b>	<b>1,857,769</b>	<b>(2,963,831)</b>	<b>(3,037,922)</b>
<b>Total liabilities and equity</b>		<b>8,932,599</b>	<b>9,116,824</b>	<b>2,416,283</b>	<b>2,621,741</b>

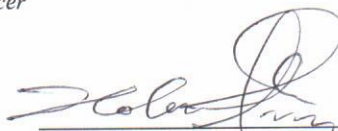
The audited financial statements were approved by the Board of Directors on 10 November 2022 and signed on its behalf by:



**Ross Oluyede**  
FRC/2019/CIBN/00000019831  
Ag. Managing Director / Chief Executive Officer



**Lamis Dikko**  
FRC/2013/IODN/00000004932  
Chairman, Board of Directors



**Mustapha Isiaka Kolawole**  
FRC/2019/ICAN/00000019345  
Ag. Head of Finance

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

<b>Group</b>	<b>Attributable to equity holders of the Bank</b>						<b>Non Controlling Interest</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Capital contribution reserve</b>	<b>Revaluation reserves</b>	<b>Accumulated losses</b>	<b>Total</b>			
<i>In thousands of Naira</i>								
Balance at 1 January 2021	3,103,000	1,391,230	1,028,619	(5,012,889)	509,960	1,347,809	1,857,769	
Loss for the year	-	-	-	(59,315)	(59,315)	(281)	(59,596)	
Other comprehensive income	31(c)	-	152,562	-	152,562	-	152,562	
Total comprehensive loss	-	-	152,562	(59,315)	93,247	(281)	92,966	
<b>Balance at 31 December 2021</b>	<b>3,103,000</b>	<b>1,391,230</b>	<b>1,181,181</b>	<b>(5,072,204)</b>	<b>603,207</b>	<b>1,347,528</b>	<b>1,950,735</b>	
Balance at 1 January 2020	3,103,000	1,391,230	1,028,619	(4,953,996)	568,853	1,348,064	1,916,917	
Loss for the year	-	-	-	(58,893)	(58,893)	(255)	(59,148)	
Total comprehensive loss	-	-	-	(58,893)	(58,893)	(255)	(59,148)	
<b>Transactions with equity holders, directly in reserves</b>								
Transaction with NCI	-	-	-	-	-	-	-	
<b>Balance at 31 December 2020</b>	<b>3,103,000</b>	<b>1,391,230</b>	<b>1,028,619</b>	<b>(5,012,889)</b>	<b>509,960</b>	<b>1,347,809</b>	<b>1,857,769</b>	

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

**Bank**

<i>In thousands of Naira</i>	<i>Notes</i>	<b>Share capital</b>	<b>Capital contribution</b>	<b>Revaluation reserves</b>	<b>Accumulated losses</b>	<b>Total</b>	<b>Total equity</b>
Balance at 1 January 2021		3,103,000	1,391,230	1,028,619	(8,560,771)	(3,037,922)	(3,037,922)
Loss for the year	27(d)	-	-	-	(78,471)	(78,471)	(78,471)
Other comprehensive income	27(c)	-	-	152,562	-	152,562	152,562
Total comprehensive loss		-	-	152,562	(78,471)	74,091	74,091
<b>Balance at 31 December 2021</b>		<b>3,103,000</b>	<b>1,391,230</b>	<b>1,181,181</b>	<b>(8,639,242)</b>	<b>(2,963,831)</b>	<b>(2,963,831)</b>
Balance at 1 January 2020		3,103,000	1,391,230	1,028,619	(8,509,293)	(2,986,444)	(2,986,444)
Loss for the year	27(d)	-	-	-	(51,478)	(51,478)	(51,478)
Total comprehensive loss		-	-	-	(51,478)	(51,478)	(51,478)
<b>Balance at 31 December 2020</b>		<b>3,103,000</b>	<b>1,391,230</b>	<b>1,028,619</b>	<b>(8,560,771)</b>	<b>(3,037,922)</b>	<b>(3,037,922)</b>

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

<i>In thousands of Naira</i>	Notes	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
<b>Cash flows from operating activities</b>					
Loss for the year		(59,596)	(59,148)	(78,471)	(51,478)
Minimum tax	12(a)	1,003	1,268	1,003	1,268
Loss before taxation		(58,593)	(57,880)	(77,468)	(50,210)
<i>Adjustments for:</i>					
Depreciation of property and equipment	19	4,598	6,785	4,598	6,785
Amortisation of intangible assets	20	1,915	3,066	1,915	3,066
Impairment writeback of fee income receivables	26(b)	-	(46)	-	(46)
Impairment charge on other assets	26(c)	-	-	726	265
Impairment charge on investment in subsidiaries	18(a)	-	-	21,084	-
Gain on sale of property and equipment	9	-	-	-	-
Interest income	7	(2,596)	(1,311)	-	-
		(54,676)	(49,386)	(49,145)	(40,140)
<i>Changes in:</i>					
Fee income receivable	26(b)	(3,842)	1,607	(3,842)	1,607
Other assets	26(c)	(545)	(11,051)	(32,005)	4,466
Accruals	26(d)	(269,828)	168,603	(269,935)	167,152
Other liabilities	26(e)	(4,858)	168,660	(5,275)	176,928
Short term employee benefit	26(f)	(2,887)	56,110	(2,887)	56,110
		(281,960)	383,929	(313,944)	406,263
Interest received	7	2,596	1,311	-	-
Income tax paid	12(d)	-	(1,336)	-	(1,336)
<b>Net cash flows from operating activities</b>		<b>(334,040)</b>	<b>334,518</b>	<b>(363,089)</b>	<b>364,787</b>
<b>Cash flow from investing activities</b>					
Purchase of property and equipment	19	(4,983)	(338)	(4,983)	(338)
Proceeds from sale of property and equipment		-	-	-	-
<b>Net cash flows used in investing activities</b>		<b>(4,983)</b>	<b>(338)</b>	<b>(4,983)</b>	<b>(338)</b>
<b>Cash flow from financing activities</b>					
Repayment of borrowings	21(b)	-	-	(1,452)	(526)
Acquisition of shares by NCI		-	-	-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>	<b>(1,452)</b>	<b>(526)</b>
Net increase in cash and cash equivalents		(339,024)	334,179	(369,524)	363,923
Cash and cash equivalents, beginning of year		650,703	316,524	465,579	101,656
<b>Cash and cash equivalents, end of year</b>	<b>14</b>	<b>311,679</b>	<b>650,703</b>	<b>96,055</b>	<b>465,579</b>

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

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

**1 Reporting entity**

The Infrastructure Bank Plc 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 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 International Financial Reporting Standards (IFRS 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 Act, 2011, 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 10 November, 2022. The accounting policies which were consistently applied by the Bank for all periods presented in these consolidated and separate financial statements are included in Note 3.

**(b) Basis of measurement**

These consolidated and separate financial statements have been prepared on the historical cost basis except for leasehold lands which have been measured at fair value (using revaluation model) at the reporting date.

**(c) 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.

**(d) 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 4.

**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 4.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2021 is included in following notes:

-Note 4(a)(i): Measurement of expected credit losses

-Note 4(a)(ii): Impairment of non financial asset: key assumptions used in estimating recoverable cash flows.

-Note 4(b)(i): Recognition of deferred tax assets

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

2 (ii) **Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except for:

**New and amended standards adopted by the group**

The following were amendments to standards effective for 2021

**Interest rate benchmark reform**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships when a benchmark interest rate in a contract is replaced with a new alternative benchmark rate. When the basis for determining the contractual cash flows of a financial instrument is changed as a direct consequence of interest rate benchmark reform and is made on an economically equivalent basis, the Phase 2 amendments provide a practical expedient to update the effective interest rate of a financial instrument before applying the existing requirements in the standards. The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

The bank has adopted the Phase 2 amendments for the modification of financial instruments arising from changes in the basis for determining the contractual cash flows for instruments that meet the criteria effective 1 January 2021

3 **Significant accounting policies**

(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 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.

(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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

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.

The Group measures goodwill (or a gain from a bargain purchase) at the acquisition date as the total of:

- the fair value of the consideration transferred, which is generally measured at fair value; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is measured at the amount recognised at the acquisition date less any accumulated impairment losses.

(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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(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.

**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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(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.

(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 expire.

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.

**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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

**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.

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.

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.

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for the year ended 31 December 2021

(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.

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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(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**

**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.

(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.

(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.

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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.

(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.

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(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.

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

Leasehold 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.

(g) **Work-in-progress**

Work In Progress consist of items of property, equipment or intangibles that are not yet available for use.

If the construction phase of property, plant or equipment extends over a long period, the interest incurred on borrowed capital up to the date of completion is capitalised as part of the cost of acquisition or construction in accordance with IAS 23 *Borrowing Costs*.

Work in progress is carried at cost less any required impairment and amortization starts when the asset is available for use. An impairment loss is recognised if the asset's recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Once the items are available for use, they are transferred to relevant classes of property, equipment and intangible assets as appropriate.

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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 losses.

(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.

(h).2 **Service concession**

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

(h).2.1 **Deferred Infrastructure Costs**

Deferred infrastructure costs are capital costs incurred to date in the development sections of the road infrastructure not yet available for use under the concession rights acquired by the Group.

Deferred infrastructure costs are capitalised only if they can be reliably measured, future economic benefits are probable and the Group intends and has sufficient resources to complete development and use the assets arising from the concession rights.

Deferred infrastructure costs are measured at cost less accumulated impairment losses.

(h).2.2 **Derecognition**

Deferred infrastructure costs is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

(i) **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.

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(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.

(j) **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.

(k) **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
<b>Project advisory fees</b>	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.
<b>Processing and administrative fees</b>	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.
<b>Monitoring fees</b>	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 advanced to customers.

Interest expense of the Group comprise interest expense on borrowings.

(k) **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.

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(iii) **Minimum tax**

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. In line with the Finance Act 2021, minimum tax if applicable will be determined based on 0.25% of gross turnover, less franked investment income, provided the Group earned gross turnover up to N25 million in the relevant year of assessment.

Where the minimum tax is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above income tax line as minimum tax.

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(l) **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.

(m) **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.

(n) **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.

(o) **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 28). 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.

(p) **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.

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(q) **Standard and Interpretations issued and not yet effective for the financial year ended 31 December 2021**

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements

The following new and amended standards are not expected to have a significant impact on the consolidated and separate financial statements.

- Onerous contracts - Cost of Fulfilling a Contract (Amendments to IAS 37), effective 1 January 2022
- Annual improvements to IFRS Standards 2018-2020, effective 1 January 2022
- COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16, effective 1 April 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), effective 1 January 2022
- Reference to Conceptual Framework (Amendments to IFRS 3), effective 1 January 2022
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), effective 1 January 2023
- IFRS 17 Insurance Contracts, effective 1 January 2023
- Definition of Accounting Estimate - Amendment to IAS 8, effective 1 January 2023
- Disclosure of Accounting Policies - Amendment to IAS 1 and IFRS Practise Statement 2, effective 1 January 2023
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – (Amendments to IAS 12) effective for annual periods beginning on or after 1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28. The effective date for this amendment was deferred indefinitely. Early adoption continues to be permitted.

There are no other IFRS standards that are not yet effective that would be expected to have a material impact on the Group

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**4 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 statement 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, such as;

- 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 the asset.

**(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 2021

**(c) Valuation of financial instruments**

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

- Level 1: Inputs that are quoted market prices (unadjusted) in 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.

**Financial instruments not measured at fair value**

The following financial instruments of the Group are not measured at fair value because their carrying amounts are reasonable approximation of fair values:

**Group**

31 December 2021

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>Assets</b>						
Cash and Cash equivalents	14	-	311,679	-	311,679	311,679
<b>Liabilities</b>						
Borrowings	21(a)	-	200,000	-	200,000	200,000

31 December 2020

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>Assets</b>						
Cash and Cash equivalents	14	-	650,703	-	650,703	650,703
<b>Liabilities</b>						
Borrowings	21(a)	-	200,000	-	200,000	200,000

**Bank**

31 December 2021

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>Assets</b>						
Cash and Cash equivalents	14	-	96,055	-	96,055	96,055
<b>Liabilities</b>						
Borrowings	21(a)	-	22,502	-	22,502	22,502

31 December 2020

<i>In thousands of Naira</i>	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>Assets</b>						
Cash and Cash equivalents	14	-	465,579	-	465,579	465,579
<b>Liabilities</b>						
Borrowings	21(a)	-	23,954	-	23,954	23,954

## Notes to the consolidated and separate financial statements

for the year ended 31 December 2021

### 5 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:

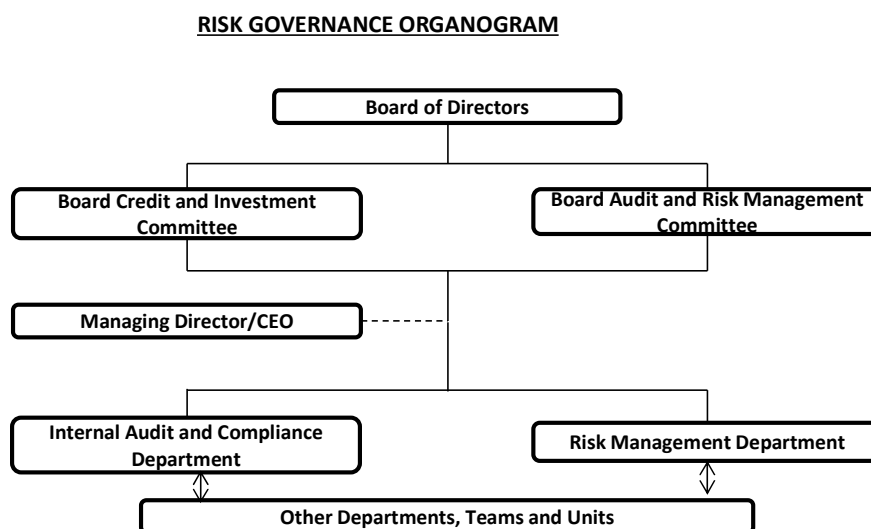
- (a) Achieving the strategic goals derived from the Group's strategic plans;
- (b) Operational efficiency in the form of effective and efficient use of the Group's resources;
- (c) Ensuring reliability and timeliness of reporting relevant financial and non-financial information; and
- (d) Ensuring compliance 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 2021

**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 Mr. Akinade Ogunbiyi	-	Member
3 Alhaji LOT Shittu	-	Member
4 Mr. Kazeem Sanusi	-	Member

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

- a. 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;
- b. To review the adequacy and effectiveness of risk management and controls;
- c. To oversee management's process for the identification of significant risks across the Group and the adequacy of prevention, detection and reporting mechanisms;
- d. To periodically review changes in the economic and business environment, including emerging trends and other factors relevant to the Group's risk profile;
- e. To review and recommend for approval of the Board, risk management procedures and controls for new products and services;
- f. To obtain and review periodically relevant reports to ensure the ongoing effectiveness of the Group's risk management framework;
- g. To review and approve the Group's risk management policy including risk appetite and risk strategy;
- h. 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);
- i. 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;
- j. To review the Group's compliance level with applicable laws and regulatory requirements, which may impact the company's risk profile;
- k. To ensure that the Group's risk management policies and practices are disclosed in the annual report;
- l. To render periodic reports to the Board on the Groups' risk management practices, internal controls and level of compliance with regulatory directives; and
- m. 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 2021

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. Tanimu Yakubu Muhammad-Ja	-	Chairman
2	Mr. Salawu Nuhu Ozigi	-	Member
3	Mr. Ross Oluyede	-	Member
4	Mr. Abdullahi Musa Bello	-	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;

**Notes to the consolidated and separate financial statements**

for the year ended 31 December 2021

- 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 2021

(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:

**2021**

**Group**

<i>In thousands of Naira</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	14	311,679	-	-	311,679
Loans and advances to customers	15	-	-	645,335	645,335
Fee income receivable	16	-	976,475	-	976,475
<i>Other financial assets</i>					
Mandatory deposit with CBN	17(a)	170	-	-	170
FOMA receivable	17(a)	5,770,816	-	-	5,770,816
Other receivables	17(a)	699,176	-	-	699,176
Gross Amount		6,781,841	976,475	645,335	8,403,651
12-month ECL		(3,364)	-	-	(3,364)
Lifetime ECL not credit-impaired		-	(972,633)	-	(972,633)
Lifetime ECL credit-impaired		-	-	(645,335)	(645,335)
<b>Carrying Amount</b>		<b>6,778,477</b>	<b>3,842</b>	<b>-</b>	<b>6,782,319</b>

**Bank**

<i>In thousands of Naira</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents:	14	96,055	-	-	96,055
Loans and advances to customers	15	-	-	645,335	645,335
Fee income receivable	16	-	2,641,169	-	2,641,169
<i>Other financial assets</i>					
Mandatory deposit with CBN	17(a)	170	-	-	170
Other receivables	17(a)	101	-	-	101
Intercompany receivables	17(a)	-	1,291,032	-	1,291,032
Gross Amount		96,326	3,932,201	645,335	4,673,862
12-month ECL		(3,364)	-	-	(3,364)
Lifetime ECL not credit-impaired		-	(3,928,359)	-	(3,928,359)
Lifetime ECL credit-impaired		-	-	(645,335)	(645,335)
<b>Carrying Amount</b>		<b>92,962</b>	<b>3,842</b>	<b>-</b>	<b>96,804</b>

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

**2020**

**Group**

<i>In thousands of Naira</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents:	14	650,703	-	-	650,703
Loans and advances to customers	15	-	-	645,335	645,335
Fee income receivable	16	-	972,633	-	972,633
<i>Other financial assets</i>					
Mandatory deposit with CBN	17(a)	170	-	-	170
FOMA receivable	17(a)	5,770,816	-	-	5,770,816
Other receivables	17(a)	702,262	-	-	702,262
Gross Amount		7,123,951	972,633	645,335	8,741,919
12-month ECL		(3,364)	-	-	(3,364)
Lifetime ECL not credit-impaired		-	(972,633)	-	(972,633)
Lifetime ECL credit-impaired		-	-	(645,335)	(645,335)
<b>Carrying Amount</b>		<b>7,120,587</b>	<b>-</b>	<b>-</b>	<b>7,120,587</b>

**Bank**

<i>In thousands of Naira</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents:	14	465,579	-	-	465,579
Loans and advances to customers	15	-	-	645,335	645,335
Fee income receivable	16	-	2,637,327	-	2,637,327
<i>Other financial assets</i>					
Mandatory deposit with CBN	17(a)	170	-	-	170
Other receivables	17(a)	3,373	-	-	3,373
Intercompany receivables	17(a)	-	1,290,306	-	1,290,306
Gross Amount		469,122	3,927,633	645,335	5,042,090
12-month ECL		(3,364)	-	-	(3,364)
Lifetime ECL not credit-impaired		-	(3,927,633)	-	(3,927,633)
Lifetime ECL credit-impaired		-	-	(645,335)	(645,335)
<b>Carrying Amount</b>		<b>465,758</b>	<b>-</b>	<b>-</b>	<b>465,758</b>

**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>	<b>Note</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
<b>Concentration by sector:</b>			
Federal Government	17(a)	5,770,986	5,770,986
Private sector	14,15,16,17	1,011,333	1,349,601
		6,782,319	7,120,587

**Concentration by location:**

<i>In thousands of Naira</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Abuja	6,782,319	7,120,587
	6,782,319	7,120,587

**Notes to the consolidated and separate financial statements**  
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**Bank**

*In thousands of Naira*

		31-Dec-21	31-Dec-20
<b>Concentration by sector:</b>			
Federal Government	17(a)	170	170
Private sector	14,15,16,17	96,634	465,588
		96,804	465,758

**Concentration by location:**

*In thousands of Naira*

		31-Dec-21	31-Dec-20
Abuja		96,804	465,758
		96,804	465,758

**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 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 2021

**-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****

Notes to the consolidated and separate financial statements  
for the year ended 31 December 2021

2021

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Loans and advances</b>					
<b>Balance at 1 January</b>	15	-	-	645,335	645,335
<b>Balance at 31 December</b>		-	-	<b>645,335</b>	<b>645,335</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Fee income receivables</b>					
<b>Balance at 1 January</b>	16	-	972,679	-	972,679
Net impairment/(write back)	16(b)	-	-	-	-
<b>Balance at 31 December</b>		-	<b>972,679</b>	-	<b>972,679</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Other financial assets</b>					
<b>Balance at 1 January</b>	17(a)	3,364	-	-	3,364
<b>Balance at 31 December</b>		<b>3,364</b>	-	-	<b>3,364</b>

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Loans and advances</b>					
<b>Balance at 1 January</b>	15	-	-	645,335	645,335
<b>Balance at 31 December</b>		-	-	<b>645,335</b>	<b>645,335</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Fee income receivables</b>					
<b>Balance at 1 January</b>	16	-	2,637,327	-	2,637,327
<b>Balance at 31 December</b>		-	<b>2,637,327</b>	-	<b>2,637,327</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Other financial assets</b>					
<b>Balance at 1 January</b>	17(a)	3,364	1,290,305	-	1,293,669
Net impairment charge	18(b)	-	726	-	726
<b>Balance at 31 December</b>		<b>3,364</b>	<b>1,291,031</b>	-	<b>1,294,395</b>

Notes to the consolidated and separate financial statements  
for the year ended 31 December 2021

2020

Group

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Loans and advances</b>					
<b>Balance at 1 January</b>	16	-	-	645,335	645,335
<b>Balance at 31 December</b>		-	-	<b>645,335</b>	<b>645,335</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Fee income receivables</b>					
<b>Balance at 1 January</b>	16	-	972,679	-	972,679
Net impairment/(write back)	16(b)	-	(46)	-	(46)
<b>Balance at 31 December</b>		-	<b>972,679</b>	-	<b>972,679</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Other financial assets</b>					
<b>Balance at 1 January</b>	17(a)	3,364	-	-	3,364
<b>Balance at 31 December</b>		<b>3,364</b>	-	-	<b>3,364</b>

Bank

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Loans and advances</b>					
<b>Balance at 1 January</b>	15	-	-	645,335	645,335
<b>Balance at 31 December</b>		-	-	<b>645,335</b>	<b>645,335</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Fee income receivables</b>					
<b>Balance at 1 January</b>	16	-	2,637,373	-	2,637,373
<b>Balance at 31 December</b>		-	<b>2,637,373</b>	-	<b>2,637,373</b>

<i>In thousands of Naira</i>	Note	Stage 1	Stage 2	Stage 3	Total
<b>Other financial assets</b>					
<b>Balance at 1 January</b>	17(a)	3,364	1,290,040	-	741,490
Net impairment charge	18(b)	-	265	-	551,914
<b>Balance at 31 December</b>		<b>3,364</b>	<b>1,290,305</b>	-	<b>1,293,404</b>

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(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 2021 were as follows:

<b>Group</b>								
<i>In thousands of Naira</i>	<b>Note</b>	<b>Carrying amount</b>	<b>Contractual cash flow</b>	<b>Less than 3 months</b>	<b>6 months</b>	<b>12 months</b>	<b>1 - 5 years</b>	<b>More than 5 years</b>
<b>31 December 2021</b>								
<i>Non-derivative assets</i>								
Cash and cash equivalents	14	311,679	318,768	318,768	-	-	-	-
FOMA receivable	17(a)	5,770,816	5,770,816	-	-	5,770,816	-	-
Other receivables	17(a)	149,141	149,141	-	-	148,971	170	-
		6,235,478	6,242,567	322,610	-	5,919,787	170	-
<i>Non-derivative liabilities</i>								
Borrowings	21(a)	200,000	200,000	-	-	-	200,000	-
Employee benefits	23	295,622	295,622	104,966	-	-	-	190,656
Provisions and accruals	22	121,279	121,279	121,279	-	-	-	-
Other liabilities	24	5,578,021	5,578,021	5,491,954	-	-	-	86,067
		6,194,922	6,194,922	5,718,199	-	-	200,000	276,723
Gap (asset - liabilities)		40,556	47,645	(5,395,589)	-	5,919,787	(199,830)	(276,723)
Cumulative liquidity gap				(5,395,589)	(5,395,589)	524,198	324,368	47,645

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 negative liquidity position as at 31 December 2021. During the year, the Bank commenced a capital raising exercise aimed at raising an additional sum up to N15 billion in Shareholders' Funds. On 6 April 2021, a new investor, Norrenberger Investment and Capital Management Limited, credited the Bank's escrow account with N1,944,986,672, for purchase of 60% equity (3,740,358,986 shares) in the Bank.

<i>In thousands of Naira</i>	<b>Note</b>	<b>Carrying amount</b>	<b>Contractual cash flow</b>	<b>Less than 3 months</b>	<b>6 months</b>	<b>12 months</b>	<b>1 - 5 years</b>	<b>More than 5 years</b>
<b>31 December 2020</b>								
<i>Non-derivative assets</i>								
Cash and cash equivalents	14	650,703	657,792	657,792	-	-	-	-
FOMA receivable	17(a)	5,770,816	5,770,816	-	-	5,770,816	-	-
Other receivables	17(a)	152,953	152,953	-	-	152,783	170	-
		6,574,472	6,581,561	657,792	-	5,923,599	170	-
<i>Non-derivative liabilities</i>								
Borrowings	21(a)	200,000	200,000	-	-	-	200,000	-
Employee benefits	23	298,509	298,509	107,853	-	-	-	190,656
Provisions and accruals	22	391,107	391,107	391,107	-	-	-	-
Other liabilities	24	5,601,975	5,601,975	5,515,910	-	-	-	86,065
		6,491,591	6,491,591	6,014,870	-	-	200,000	276,721
Gap (asset - liabilities)		82,881	89,970	(5,357,078)	-	5,923,599	(199,830)	(276,721)
Cumulative liquidity gap				(5,357,078)	(5,357,078)	566,521	366,691	89,970

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

**Bank**

<i>In thousands of Naira</i>	<b>Note</b>	<b>Carrying amount</b>	<b>Contractual cashflow</b>	<b>Less than 3 months</b>	<b>6 months</b>	<b>12 months</b>	<b>1 - 5 years</b>	<b>More than 5 years</b>
<b>31 December 2021</b>								
<i>Non-derivative assets</i>								
Cash and cash equivalents	14	96,055	96,055	96,055	-	-	-	-
Other financial receivables	17(a)	(3,092)	(3,092)	-	(3,262)	-	170	-
		127,725	127,725	130,817	(3,262)	-	170	-
<i>Non-derivative liabilities</i>								
Borrowings	21(a)	22,502	22,502	22,502	-	-	-	-
Employee benefits	23	295,622	295,622	104,966	-	-	-	190,656
Accruals	22	115,842	115,842	115,842	-	-	-	-
Other liabilities	24	4,159,589	4,159,589	4,159,589	-	-	-	-
		4,593,555	4,593,555	4,402,899	-	-	-	190,656
<b>Gap (asset - liabilities)</b>		<b>(4,465,830)</b>	<b>(4,465,830)</b>	<b>(4,272,082)</b>	<b>(3,262)</b>	<b>-</b>	<b>170</b>	<b>(190,656)</b>
<b>Cumulative liquidity gap</b>				<b>(4,272,082)</b>	<b>(4,275,344)</b>	<b>(4,275,344)</b>	<b>(4,275,174)</b>	<b>(4,465,830)</b>

<i>In thousands of Naira</i>	<b>Note</b>	<b>Carrying amount</b>	<b>Contractual cashflow</b>	<b>Less than 3 months</b>	<b>6 months</b>	<b>12 months</b>	<b>1 - 5 years</b>	<b>More than 5 years</b>
<b>31 December 2020</b>								
<i>Non-derivative assets</i>								
Cash and cash equivalents	14	465,579	465,579	465,579	-	-	-	-
Other financial receivables	17(a)	180	180	-	10	-	170	-
		465,759	465,759	465,579	10	-	170	-
<i>Non-derivative liabilities</i>								
Borrowings	21(a)	23,954	23,954	25,000	-	-	200,000	-
Employee benefits	23	298,509	298,509	107,853	-	-	-	190,656
Accruals	22	385,777	385,777	385,777	-	-	-	-
Other liabilities	24	4,183,959	4,183,959	4,183,959	-	-	-	-
		4,892,199	4,892,199	4,702,589	-	-	200,000	190,656
<b>Gap (asset - liabilities)</b>		<b>(4,426,440)</b>	<b>(4,426,440)</b>	<b>(4,237,010)</b>	<b>10</b>	<b>-</b>	<b>(199,830)</b>	<b>(190,656)</b>
<b>Cumulative liquidity gap</b>				<b>(4,237,010)</b>	<b>(4,237,000)</b>	<b>(4,237,000)</b>	<b>(4,436,830)</b>	<b>(4,627,486)</b>

(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.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(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 an insignificant 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**

<b>Group</b>						
<i>In thousands of Naira</i>	<b>Note</b>	<b>Total</b>	<b>Naira</b>	<b>USD</b>	<b>GBP</b>	<b>Others</b>
<b>31 December 2021</b>						
Cash and cash equivalents	14	311,679	310,697	347	573	62
Fee income receivables	16	3,842	3,842	-	-	-
Other receivables	17(a)	170	170	-	-	-
		315,691	314,709	347	573	62
Borrowings	21(a)	200,000	200,000	-	-	-
Other liabilities	24	5,578,021	5,578,021	-	-	-
		5,778,021	5,778,021	-	-	-
<b>31 December 2020</b>						
Cash and cash equivalents	14	650,703	649,767	327	550	59
Fee income receivables	16	-	-	-	-	-
Other receivables	17(a)	170	170	-	-	-
		650,873	649,937	327	550	59
Borrowings	21(a)	200,000	200,000	-	-	-
Other liabilities	24	5,601,975	5,601,975	-	-	-
		5,801,975	5,801,975	-	-	-
<b>Bank</b>						
<i>In thousands of Naira</i>	<b>Note</b>	<b>Total</b>	<b>Naira</b>	<b>USD</b>	<b>GBP</b>	<b>EURO</b>
<b>31 December 2021</b>						
Cash and cash equivalents	14	96,055	95,560	162	271	62
Other receivables	17(a)	(3,092)	(3,092)	-	-	-
		96,805	96,310	162	271	62
Borrowings	21(a)	22,502	22,502	-	-	-
Other liabilities	24	4,159,589	4,159,589	-	-	-
		4,182,091	4,182,091	-	-	-
<b>31 December 2020</b>						
Cash and cash equivalents	14	465,579	465,130	142	248	59
Other receivables	17(a)	180	180	-	-	-
		465,759	465,310	142	248	59
Borrowings	21(a)	23,954	23,954	-	-	-
Other liabilities	24	4,183,959	4,183,959	-	-	-
		4,207,913	4,207,913	-	-	-

**Notes to the consolidated and separate financial statements**

for the year ended 31 December 2021

**(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.

**Interest rate profile**

At the end of the reporting period the interest rate profile of the Group's interest bearing financial instruments as reported to the Management of the Group are as follows:

<i>In thousands of Naira</i>	<i>Note</i>	<b>Group 31-Dec 2021</b>	<b>Group 31-Dec 2020</b>	<b>Bank 31-Dec 2021</b>	<b>Bank 31-Dec 2020</b>
<b>Financial instruments</b>					
Cash and cash equivalents	14	311,679	650,703	96,055	465,579
		311,679	316,506	96,055	101,656

**Sensitivity analysis for fixed rate instruments**

The table below shows the impact on the Group's profit before tax if interest rates on financial instruments had increased or decreased by 100 basis points, with all other variables held constant.

<i>In thousands of Naira</i>	<b>Group 31-Dec 2021</b>	<b>Group 31-Dec 2020</b>	<b>Bank 31-Dec 2021</b>	<b>Bank 31-Dec 2020</b>
Increase in interest rate by 100 basis points (+1%)	1,117	4,507	961	4,656
Decrease in interest rate by 100 basis point (-1%)	(1,117)	(4,507)	(961)	(4,656)

Interest rate movements affect reported equity through retained earnings arising from increase or decrease in net interest income.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

(vi) **Operational risk**

Operational risks arise from inadequate or failed processes, people and systems or from external factors affecting these. Management at all levels have responsibility for identifying, assessing, controlling and reporting operational risks. Management is guided by a framework of core values, group policies, a code of business conduct and delegated authorities in place. Internal audit department carries out periodic reviews to ensure adequate management of operational risks.

(vii) **Strategic risk**

Strategic risk is the risk that results from adverse business decisions, ineffective or inappropriate business plans, or failure to respond to changes in the competitive environment. This risk is being managed by ensuring that the Group's strategic goals and objectives are set in line with its corporate mission and values, culture, business direction and risk tolerance; active engagement with all stakeholders - customers, investors, regulators, staff, etc.; and board approval of significant strategic actions, such as material acquisitions or capital actions.

(viii) **Reputational risk**

The Group's reputation as a stable and responsible organisation able to maintain liquidity and a fair return on assets is the foundation of the Group. Many reputational risks may be avoided through proper systems eliminating rogue trading; mitigated or reduced through avoidance of undue exposure to certain products or markets; and by diversifying its exposure. Reputational risk is further mitigated by benchmarking to international codes of best practice in Grouping and corporate governance such as Code of Corporate Governance issued by the Central Bank of Nigeria, Securities and Exchange Commission, Basel 2 and the King 2 codes.

Reputational risk could result directly or indirectly from actions by the Group or clients respectively. The Group endeavors to manage issues that may cause damage to reputation by maintaining a regular reporting framework, which is subject to periodic review by the Board.

(ix) **Concentration risk**

A factor that will substantially influence the rating and creditworthiness of the Group is concentration risk, which is the exposure to a single project, client, sector, credit category or geographic area. The Group applies matrices stipulating maximum exposure expressed as either a percentage of equity or portfolio size, which are monitored and reviewed from time to time by the Board Credit and Investment Committee and the Board Audit Risk Management Committee.

(x) **Legal / Compliance risk**

Nigeria is a sovereign state in which the rule of law applies. The judicial system is functional and legitimate business contracts are valid. The legal environment itself is supportive of normal business operations. A number of risks in the legal environment are always put into consideration in taking business decisions.

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformity with laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk may expose the Bank to fines, penalties, damages, and the Being in a highly regulated industry, The Infrastructure Bank Plc is required to fully comply with the spirit and letter of governing laws and regulations. To ensure compliance with applicable laws and regulations, the Group has put in place a comprehensive compliance policy that details the roles and responsibilities of all employees.

The Internal Audit / Compliance functions ensure the smooth functioning of the compliance process. He is also charged with the task of ensuring that the Bank complies with all statutory and regulatory requirements.

TIB has a zero tolerance for non-compliance with Know-Your-Customer and know your customers business. Staff are exposed to regular training and awareness on anti-money laundering practices.

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

**6 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.

**Capital base**

The Bank's 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 negative 386% in 2021 (2020:-416%). This was attributable to the significant loss of N78.47 million made in 2021 (2020: N51.49 million) 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 32 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):

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

In thousands of Naira

	Note	Group 2021	Group 2020	Bank 2021	Bank 2020
<b>Tier 1 capital</b>					
Ordinary share capital	27(a)	3,103,000	3,103,000	3,103,000	3,103,000
Capital contribution	27(b)	1,391,230	1,391,230	1,391,230	1,391,230
Accumulated losses	27(d)	(5,072,204)	(4,995,223)	(8,639,242)	(8,560,771)
		(577,974)	(500,993)	(4,145,012)	(4,066,541)
<b>(Less):</b>					
Intangible assets	20	(8)	(1,923)	(8)	(1,923)
Investment in subsidiaries	18	-	-	(68,922)	(79,464)
<b>Total Tier 1 capital (a)</b>		<b>(577,982)</b>	<b>(502,916)</b>	<b>(4,213,942)</b>	<b>(4,147,928)</b>
<b>Tier 2 capital</b>					
Revaluation reserve	27(c)	1,181,181	1,028,619	1,181,181	1,028,619
<b>(Less):</b>					
Investment in subsidiaries	18	-	-	(68,922)	(79,464)
<b>Total Tier 2 capital (b)</b>		<b>1,181,181</b>	<b>1,028,619</b>	<b>1,112,259</b>	<b>949,155</b>
Total Tier 2 capital limited to 100% of Tier 1 capital		(577,982)	(502,916)	(4,213,942)	(4,147,928)
<b>Total regulatory capital (a+b)</b>		<b>(577,982)</b>	<b>(1,005,832)</b>	<b>(4,213,942)</b>	<b>(8,295,856)</b>
<b>Risk-weighted assets</b>		<b>8,620,742</b>	<b>8,463,408</b>	<b>2,181,771</b>	<b>1,993,704</b>
<b>Capital ratios</b>					
Total regulatory capital expressed as a percentage of total risk-weighted assets		-7%	-12%	-193%	-416%
Total tier 1 capital expressed as a percentage of risk-weighted assets		-7%	-6%	-193%	-208%

As shown above, the Bank currently has a capital adequacy ratio of -386% (2020: -416%).

**Notes to the consolidated and separate financial statements**  
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7	<b>Interest income</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Cash and cash equivalents	2,596	1,311	-	-
	Total interest income calculated using effective interest method	2,596	1,311	-	-

8	<b>Net fees and commission income</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
(a)	<b>Fees and commission income</b>				
	PMTF Take-on fee	-	271,324	-	271,324
	Fee earned from PMTF funds	122,066	185,506	122,066	185,506
	PMTF processing fees (See note (ii) below)	78,386	-	78,386	-
	Monitoring fee (See note (ii) below)	172,784	16,095	172,784	16,095
	<b>Total fees and commission income</b>	<b>373,236</b>	<b>472,925</b>	<b>373,236</b>	<b>472,925</b>

(ii) Project processing and monitoring fees represents fees earned by the Bank in its capacity as fund managers to the Public Mass Transit Revolving Fund (PMTF). The fees earned by the Bank are in line with the terms of the agreement between the Bank and the Federal Government of Nigeria.

9	<b>Other income</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Rental income (See note(i) below)	27,852	25,580	27,852	25,580
	Other miscellaneous income	300	8,574	300	8,574
	<b>Total other income</b>	<b>28,152</b>	<b>34,154</b>	<b>28,152</b>	<b>34,154</b>

(i) Rental Income refers to income earned by the Bank from letting out some of the office spaces it do not occupy

**10 Expenses**

**10(a) Depreciation and amortisation**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Depreciation	19	4,598	6,785	4,598
Amortization	20	1,915	3,066	1,915
	<b>6,513</b>	<b>9,851</b>	<b>6,513</b>	<b>9,851</b>

**10(b) Personnel expenses**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Salaries and allowances	218,668	263,053	215,554	256,645
Pension contributions	9,409	10,025	9,409	10,025
	<b>228,077</b>	<b>273,078</b>	<b>224,963</b>	<b>266,670</b>

**Notes to the consolidated and separate financial statements**  
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**10(c) Employee information:**

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

	2021	2020
	Number	Number
500,001 - 800,000	1	1
800,001 - 1,000,000	1	1
1,000,001 - 2,000,000	4	4
2,000,001 - 3,000,000	1	1
3,000,001 - 4,000,000	3	3
4,000,001 - 5,000,000	0	0
5,000,001 - 6,000,000	3	3
6,000,001 - 7,000,000	1	1
7,000,001 - 8,000,000	1	1
8,000,001 - 9,000,000	3	3
9,000,001 - 10,000,000	1	1
10,000,001 - 12,000,000	1	2
12,000,001 - 18,000,000	1	1
Above 18,000,001	2	2
	<b>23</b>	<b>24</b>

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

	Bank 2021	Bank 2020
	Number	Number
Management staff	4	4
Senior staff	15	16
Other staff (Junior staff)	4	4
	<b>23</b>	<b>24</b>

**10(d) Other operating expenses**

	Group 2021	Group 2020	Bank 2021	Bank 2020
<i>In thousands of Naira</i>				
Maintenance expenses	26,769	15,816	26,769	15,816
Training and recruitment	918	25	918	25
Office running expenses	40,727	29,723	40,727	28,223
Travel and accommodation	4,030	4,738	4,030	4,738
Marketing expenses	174	1,238	174	1,238
Motor vehicle running cost	1,270	8	1,270	8
Welfare and hospitality	7,042	4,367	7,042	4,367
Directors fees and allowances	62,109	60,224	62,109	60,224
Professional fees	46,195	117,922	44,404	116,934
Audit fees (See note (i) below)	15,426	15,350	15,000	15,000
Insurance premium	13,250	14,503	13,250	14,503
Bank charges	369	189	369	189
Statutory charges	7,589	1,394	7,539	1,394
Provision for litigation	-	16,300	-	16,300
Club membership	2,119	1,590	1,969	1,590
	<b>227,987</b>	<b>283,387</b>	<b>225,570</b>	<b>280,549</b>

(i) The external auditors did not render any non-audit services for the Group and the Company during the year.

**Notes to the consolidated and separate financial statements**  
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**11 Impairment on financial assets**

<i>In thousands of Naira</i>		<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Impairment charge on fee income receivables	16(b)	-	(46)	-	(46)
Impairment on other financial assets	18(a)	-	-	21,084	265
Impairment on other financial assets	18(b)	-	-	726	265
Write-off of staff loans and advances	15	-	-	-	-
Write-off of cash and cash equivalent	14	-	-	-	-
		-	(46)	<b>21,810</b>	<b>219</b>

**12 Taxation**

<i>In thousands of Naira</i>		<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
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**12(a) Tax expense**

**Current tax expense:**

Education tax	-	-	-	-
NITDA levy	-	-	-	-
Company Income Tax	-	-	-	-
	-	-	-	-

<b>Minimum tax (see note (i) below)</b>	1,003	1,268	1,003	1,268
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<b>Total tax expense</b>	<b>1,003</b>	<b>1,268</b>	<b>1,003</b>	<b>1,268</b>
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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**

<b>Group</b>	<b>2021</b>		<b>2020</b>	
<i>in thousands of Naira</i>	<b>Tax rate</b>	<b>Amount</b>	<b>Tax rate</b>	<b>Amount</b>
Loss before tax		(77,468)		(57,880)
Adjustment for NITDA levy		-		-
Loss after adjustment for NITDA levy		(77,468)		(57,880)
Income tax using the domestic corporation tax rate	30%	(23,240)	30%	(17,364)
Non-deductible expenses	-12%	9,259	-9%	5,036
Tax exempt income	0%	(90)	4%	(2,458)
Current year losses/other items for which no deferred tax asset is recognized	-19%	14,787	-26%	14,787
Minimum tax	-1%	1,003	-2%	1,268
	-2%	1,718	-2%	1,268

Notes to the consolidated and separate financial statements  
for the year ended 31 December 2021

**Reconciliation of effective tax rate**

<b>Bank</b> <i>in thousands of Naira</i>	<b>2021</b>		<b>2020</b>	
	<b>Tax rate</b>	<b>Amount</b>	<b>Tax rate</b>	<b>Amount</b>
Loss before tax		(77,468)		(50,210)
Adjustment for NITDA levy		-		-
Loss after adjustment for NITDA levy		(77,468)		(50,210)
Income tax using the domestic corporation tax rate	30%	(23,240)	30%	(15,063)
Non-deductible expenses	-12%	9,259	-10%	5,036
Tax exempt income	0%	(90)	5%	(2,458)
Current year losses/other items for which no deferred tax asset is recognised	-18%	14,072	-25%	12,485
Minimum tax	-1%	1,003	-2.5%	1,268
	-1%	1,003	-2.5%	1,268

**12(b) Deferred tax assets and liabilities**

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

**Group**

**31 December 2021**

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

**31 December 2020**

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

**Bank**

**31 December 2021**

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

**31 December 2020**

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

**Notes to the consolidated and separate financial statements**  
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**12(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>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Unrelieved losses	1,380,139	1,364,177	1,380,139	1,364,177
Property, plant and equipment	167,196	166,032	167,196	166,032
<b>Balance, end of year</b>	<b>1,547,335</b>	<b>1,530,209</b>	<b>1,547,335</b>	<b>1,530,209</b>

The unrelieved tax losses do not expire.

**12(d) Current tax liabilities**

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Balance, beginning of year	(620)	1,630	(1,438)	812
Charge for the year	1,003	1,268	1,003	1,268
Withholding tax utilised	-	(2,182)	-	(2,182)
Payments during the year	-	(1,336)	-	(1,336)
<b>Balance, end of year</b>	<b>383</b>	<b>(620)</b>	<b>(435)</b>	<b>(1,438)</b>

**13 Basic and diluted loss per share**

The calculation of basic loss per share at 31 December 2021 was based on the loss attributable to ordinary shareholders of N56 million (2020: N58 million) for the group and loss attributable to ordinary shareholders of N54 million (2020: N51 million) for the Bank and an average number of ordinary shares outstanding of 6,206,000,000 (2019: 6,206,000,000).

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Loss attributable to ordinary shareholders	(59,315)	(58,893)	(78,471)	(51,524)
<i>In thousands of unit</i>				
Weighted average number of ordinary shares (basic and diluted)	6,206,000	6,206,000	6,206,000	6,206,000
Loss earnings per share (basic and diluted)- Kobo	(1)	(1)	(1)	(1)

Notes to the consolidated and separate financial statements  
For the year ended 31 December 2021

14 Cash and cash equivalents	Note	Group 2021	Group 2020	Bank 2021	Bank 2020
<i>In thousands of Naira</i>					
Balances with banks		164,070	650,703	96,055	465,579
Fixed Deposits		147,609	-	-	-
		311,679	650,703	96,055	465,579
Impairment allowance (see note (a) below)		-	-	-	-
<b>Cash and cash equivalents</b>		<b>311,679</b>	<b>650,703</b>	<b>96,055</b>	<b>465,579</b>
<b>15 Loans and advances to customers</b>					
<i>In thousands of Naira</i>					
Loans and advances to customers at amortised cost		645,335	645,335	645,335	645,335
Staff loans and advances		-	-	-	-
<b>Gross amount</b>		<b>645,335</b>	<b>645,335</b>	<b>645,335</b>	<b>645,335</b>
Less impairment loss allowance (See note (a) below)		(645,335)	(645,335)	(645,335)	(645,335)
		-	-	-	-
Current		-	-	-	-
Non current		-	-	-	-
<b>Carrying amount</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(a) Impairment loss allowance</b>					
<i>In thousands of Naira</i>					
Balance, beginning of year		645,335	645,335	645,335	645,335
<b>Balance, end of year</b>		<b>645,335</b>	<b>645,335</b>	<b>645,335</b>	<b>645,335</b>
<b>16 Fee income receivables</b>					
<i>In thousands of Naira</i>					
Fee income receivables (See note (a) below)		976,475	972,633	2,641,169	2,637,327
<b>Gross amount</b>		<b>976,475</b>	<b>972,633</b>	<b>2,641,169</b>	<b>2,637,327</b>
Impairment allowance	16(b)	(972,633)	(972,633)	(2,637,327)	(2,637,327)
<b>Net carrying amount</b>		<b>3,842</b>	<b>-</b>	<b>3,842</b>	<b>-</b>
Current		3,842	-	3,842	-
Non current		-	-	-	-
<b>Carrying amount</b>		<b>3,842</b>	<b>-</b>	<b>3,842</b>	<b>-</b>

(a) Included in fee income receivables of the Bank is N1.245 billion (2020: 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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*For the year ended 31 December 2021*

<b>(b) Movement on impairment allowance on income receivables</b>	<b>Note</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year		972,633	972,679	2,637,327	2,637,373
Writaback during the year	11	-	(46)	-	(46)
<b>Balance, end of year</b>		<b>972,633</b>	<b>972,633</b>	<b>2,637,327</b>	<b>2,637,327</b>

<b>17(a) Other assets</b>	<b>Note</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<i>Financial assets</i>					
Mandatory deposit with CBN (See note (i) below)		170	170	170	170
Intercompany receivables (See (d) below)		-	-	1,321,952	1,290,306
FOMA receivable (See note (ii) below)		5,770,816	5,770,816	-	-
Other receivables (see note (iii) below)		699,176	702,262	101	3,373
		6,470,162	6,473,248	1,322,223	1,293,849
Impairment loss on financial assets (See (b) below)		(3,364)	(3,364)	(1,294,395)	(1,293,669)
		6,466,798	6,469,884	27,828	180
<i>Non-financial assets</i>					
Prepayment		8,686	5,163	8,686	5,163
Withholding tax recoverable		2,614	2,506	2,614	2,506
VAT receivable		2,700	2,700	2,700	2,700
		14,000	10,369	14,000	10,369
Impairment loss on non-financial assets (See (c) below)		(2,700)	(2,700)	(2,700)	(2,700)
		11,300	7,669	11,300	7,669
<b>Net carrying amount</b>		<b>6,478,098</b>	<b>6,477,553</b>	<b>39,128</b>	<b>7,849</b>
Current		11,300	7,669	11,300	7,669
Non current		6,466,798	6,469,884	27,828	180
<b>Carrying amount</b>		<b>6,478,098</b>	<b>6,477,553</b>	<b>39,128</b>	<b>7,849</b>

(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 November 7, 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 is currently engaging with the FGN 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 agreement.

(iii) Included in this amount is N545million 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.

<b>(b) Movement in Impairment allowance on other financial assets</b>	<b>Note</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year		3,364	3,364	1,293,669	1,293,404
Charge during the year	11	-	-	726	265
Write-back during the year	11	-	-	-	-
Write off of other assets	11	-	-	-	-
<b>Balance, end of year</b>		<b>3,364</b>	<b>3,364</b>	<b>1,294,395</b>	<b>1,293,669</b>

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(c) Movement in Impairment allowance on other non-financial assets <i>In thousands of Naira</i>	Note	Group 2021	Group 2020	Bank 2021	Bank 2020
Balance, beginning of year		2,700	2,700	2,700	2,700
Charge during the year		-	-	-	-
<b>Balance, end of year</b>		<b>2,700</b>	<b>2,700</b>	<b>2,700</b>	<b>2,700</b>

(d) Intercompany receivables					
Deposit for investment in Motorways Assets Limited		-	-	3,104	3,104
Deposit for investment in METSL (See note (iv) above)		-	-	177,992	177,992
Advance to Infrastructure heights (See note (v) above)		-	-	546,317	545,891
Advance to METSL (See note (vi) above)		-	-	563,619	563,319
Advance to AML (See note (vii) above)		-	-	30,920	-
		-	-	1,321,952	1,290,306
Impairment loss		-	-	(1,291,032)	(1,290,306)
		-	-	<b>30,920</b>	<b>-</b>

(iv) Amount relates to a convertible loan to METSL. The Bank exercised the option to convert the N177 million facility to ordinary shares of N1.00 each of METSL; as final settlement of the indebtedness of the Company arising from the USD 1 million availed by the Bank and other costs incurred on the Lagos Metro Rail Transit Red Line Project. Approval for this conversion was granted by the Board in its 20 April 2017 meeting but shares are yet to be allotted.

(v) 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. (See note 18(b)(ii)) for details of the project.

(iv) Amount relates to a convertible loan to MAL which was entered into on 29 April 2015. The Bank took the decision to convert this facility to ordinary shares in MAL, the approval for the outstanding loan to be converted to ordinary shares using the strike price agreed with the most recent investor into MAL was granted via a resolution at its 40th Board meeting held on 10 November 2016. See note 20(a).

(vi) 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.  
Included in this balance, is a sum of N325 million which relates to capitalised project costs incurred by METSL in securing approval for the use of the Nigerian Railway Corporation's Right of Way from the Federal Government of Nigeria. It also relates to costs incurred in developing the fixed infrastructure works on the Project. These costs are integral to the development of the concession asset.

(vii) Amount represents a non-interest advance granted to TIB AML from TIB Plc during the year in other to meet up the regulatory capital threshold and also support operation.

18 Investment in subsidiaries <i>In thousands of Naira</i>	Group 2021	Group 2020	Bank 2021	Bank 2020
Investment in Marina Express Train Services Limited (See note (b)(i) below)	-	-	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
	-	-	<b>3,211,810</b>	<b>3,211,810</b>
Impairment charge on investment in Motorways Asset Limited	-	-	(2,972,645)	(2,972,645)
Impairment charge on investment in Marina Express Train Services Limited	-	-	(79,239)	(79,239)
Impairment charge on Infrastructure Heights Limited	-	-	(999)	(999)
Impairment charge on investment in Asset Management Limited	-	-	(21,084)	-
	-	-	<b>(3,073,967)</b>	<b>(3,052,883)</b>
<b>Net Investment in Subsidiaries</b>	<b>-</b>	<b>-</b>	<b>137,843</b>	<b>158,927</b>
Current	-	-	-	-
Non current	-	-	137,843	158,927
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>137,843</b>	<b>158,927</b>

(a) Impairment allowance on investment in subsidiaries <i>In thousands of Naira</i>	Group 2021	Group 2020	Bank 2021	Bank 2020
Balance, beginning of year	-	-	3,052,883	3,052,883
Charge during the year	-	-	21,084	-
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>	<b>3,073,967</b>	<b>3,052,883</b>

**Notes to the consolidated and separate financial statements**  
*For the year ended 31 December 2021*

**(b) 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 authorised share capital of the company is 8,000,000 (2020: 8,000,000) ordinary shares of N1.00 each out of which 3,000,000 (2020: 3,000,000) ordinary shares of N1.00 each had been issued and fully paid up by the Bank.

The Group's investment of N79.2 million (2020: 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 2021.

**(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.

The Group has an exposure of N545 million (2020: N545 million) being amount incurred in the implementation of detailed engineering designs and construction plans for the proposed development of the Infrastructure Tower Project as at 31 December 2021. The Group's Board of Directors have approved up to US\$10million as TIB's proprietary equity investment in the Project which comprise of the land valued at about US\$6million at Project inception and sunk general Project preparation and development expenditure totalling N684 million (circa N684 million).

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 authorised share capital of the company is 500 million out of which 158 million ordinary shares of N1 each were allotted to the Bank as at 31 December 2020, 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 2021.

On 5 December, 2014, The Infrastructure Bank Plc formed an alliance with Gemfonds and Sigrun to set up a joint infrastructure fund to be named The Nigeria Infrastructure Fund 1 (the "Fund") to be managed by TIB Asset Management Limited. The Fund is set up to invest in and lend to, primarily, in Public Private Partnership green field infrastructure opportunities in Nigeria.

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.

TIB's total Shareholding unit in MAL was 710,898,312 units as at 31 December 2021.

**Notes to the consolidated and separate financial statements**  
*For the year ended 31 December 2021*

**Condensed statement of comprehensive income for the year ended 31 December 2021**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
Operating income	403,984	-	401,388	-	-	-	2,596
Operating expenses	(462,577)	1,345	(457,046)	(695)	(650)	(426)	(5,105)
Net impairment on financial assets	-	21,810	(21,810)	-	-	-	-
Loss before tax	(58,593)	23,155	(77,468)	(695)	(650)	(426)	(2,509)
Taxation	(1,003)	-	(1,003)	-	-	-	(818)
<b>Loss for the year</b>	<b>(59,596)</b>	<b>23,155</b>	<b>(78,471)</b>	<b>(695)</b>	<b>(650)</b>	<b>(426)</b>	<b>(3,327)</b>

**Condensed statement of financial position as at 31 December 2021**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
Cash and cash equivalents	311,679	-	96,055	36,968	27,992	-	150,664
Loans and receivables	-	-	-	-	-	-	-
Fee income receivables	3,842	-	3,842	-	-	-	-
Other assets	6,478,098	(2,314,743)	39,128	5,771,326	2,295,352	684,192	2,843
Investment in subsidiary	-	(137,843)	137,843	-	-	-	-
Property and equipment	2,138,972	-	2,138,972	-	-	-	-
Intangible assets	8	-	8	-	-	-	-
Current tax assets	-	(435)	435	-	-	-	-
<b>Total assets</b>	<b>8,932,599</b>	<b>(2,453,021)</b>	<b>2,416,283</b>	<b>5,808,294</b>	<b>2,323,344</b>	<b>684,192</b>	<b>153,507</b>

*Financed by:*

*Liabilities:*

Borrowings	200,000	(200,494)	22,502	-	377,992	-	-
Provisions and accruals	121,279	-	115,842	1,985	2,600	426	426
Employee benefits obligations	295,622	-	295,622	-	-	-	-
Current tax liabilities	383	(435)	-	-	-	-	818
Other liabilities	5,918,236	(3,852,414)	4,499,804	1,902,690	2,640,333	685,493	42,330
Deferred tax liabilities	446,344	-	446,344	-	-	-	-
<b>Total liabilities</b>	<b>6,981,865</b>	<b>(4,053,343)</b>	<b>5,380,114</b>	<b>1,904,675</b>	<b>3,020,925</b>	<b>685,919</b>	<b>43,574</b>

*Equity:*

Share capital	3,103,000	(1,249,648)	3,103,000	1,085,920	3,800	1,000	158,928
Share premium	-	(2,878,678)	-	2,878,678	-	-	-
Capital contribution reserve	1,391,230	-	1,391,230	-	-	-	-
Revaluation reserves	1,181,181	-	1,181,181	-	-	-	-
Accumulated losses	(5,072,204)	4,381,120	(8,639,242)	(60,979)	(701,381)	(2,727)	(48,995)
Non-controlling interest	1,347,528	1,347,528	-	-	-	-	-
<b>Total equity</b>	<b>1,950,735</b>	<b>1,600,322</b>	<b>(2,963,831)</b>	<b>3,903,619</b>	<b>(697,581)</b>	<b>(1,727)</b>	<b>109,933</b>
<b>Total equity and liabilities</b>	<b>8,932,600</b>	<b>(2,453,021)</b>	<b>2,416,283</b>	<b>5,808,294</b>	<b>2,323,344</b>	<b>684,192</b>	<b>153,507</b>

**Condensed statement of cashflows as at 31 December 2021**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
<i>Net Cash flows from:</i>							
Operating activities	(334,040)	12,300	(363,089)	-	46,312	(76)	(29,487)
Investing activities	(4,983)	-	(4,983)	-	-	-	-
Financing activities	-	1,452	(1,452)	-	-	-	-
Increase/(decrease in cash and cash equivalents)	(339,023)	13,752	(369,524)	-	46,312	(76)	(29,487)
Cash and Cash equivalents, beginning of year	650,703	(29,726)	465,579	36,967	21,774	-	156,109
<b>Cash and Cash equivalents, end of year</b>	<b>311,680</b>	<b>(15,974)</b>	<b>96,055</b>	<b>36,967</b>	<b>68,086</b>	<b>(76)</b>	<b>126,622</b>

**Notes to the consolidated and separate financial statements**  
*For the year ended 31 December 2021*

(ii) The condensed financial data of the consolidated entities as at 31 December 2020, are as follows:

**Condensed statement of comprehensive income for the year ended 31 December 2020**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
Operating income	508,390	-	507,079	-	-	-	1,311
Operating expenses	(566,316)	1,359	(557,070)	(600)	(759)	(350)	(8,896)
Net impairment on financial assets	46	265	(219)	-	-	-	-
Loss before tax	(57,880)	1,624	(50,210)	(600)	(759)	(350)	(7,585)
Taxation	(1,268)	-	(1,268)	-	-	-	(818)
<b>Loss for the year</b>	<b>(59,148)</b>	<b>1,624</b>	<b>(51,478)</b>	<b>(600)</b>	<b>(759)</b>	<b>(350)</b>	<b>(8,403)</b>

**Condensed statement of financial position as at 31 December 2020**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
Cash and cash equivalents	650,703	-	465,579	36,968	25,827	-	122,329
Loans and receivables	-	-	-	-	-	-	-
Fee income receivables	-	-	-	-	-	-	-
Other assets	6,477,553	(2,291,802)	7,849	5,771,326	2,295,352	684,115	10,713
Investment in subsidiary	-	(158,927)	158,927	-	-	-	-
Property and equipment	1,986,025	-	1,986,025	-	-	-	-
Intangible assets	1,923	-	1,923	-	-	-	-
Current tax assets	620	-	1,438	-	-	-	(818)
<b>Total assets</b>	<b>9,116,824</b>	<b>(2,450,729)</b>	<b>2,621,741</b>	<b>5,808,294</b>	<b>2,321,179</b>	<b>684,115</b>	<b>132,224</b>

*Financed by:*

*Liabilities:*

Borrowings	200,000	(201,946)	23,954	-	377,992	-	-
Provisions and accruals	391,107	-	385,777	2,680	1,950	350	350
Employee benefits obligations	298,509	-	298,509	-	-	-	-
Current tax liabilities	-	(818)	-	-	-	-	818
Other liabilities (see note (j) below)	5,923,095	(3,827,976)	4,505,079	1,901,300	2,638,168	685,067	21,457
Deferred tax liabilities	446,344	-	446,344	-	-	-	-
<b>Total liabilities</b>	<b>7,259,055</b>	<b>(4,030,740)</b>	<b>5,659,663</b>	<b>1,903,980</b>	<b>3,018,110</b>	<b>685,417</b>	<b>22,625</b>

*Equity:*

Share capital	3,103,000	(1,249,647)	3,103,000	1,085,920	3,800	999	158,928
Share premium	-	(2,878,678)	-	2,878,678	-	-	-
Capital contribution reserve	1,391,230	-	1,391,230	-	-	-	-
Revaluation reserves	1,028,619	-	1,028,619	-	-	-	-
Accumulated losses	(5,012,889)	4,360,527	(8,560,771)	(60,284)	(700,731)	(2,301)	(49,329)
Non-controlling interest	1,347,809	1,347,809	-	-	-	-	-
<b>Total equity</b>	<b>1,857,769</b>	<b>1,580,011</b>	<b>(3,037,922)</b>	<b>3,904,314</b>	<b>(696,931)</b>	<b>(1,302)</b>	<b>109,599</b>
<b>Total equity and liabilities</b>	<b>9,116,824</b>	<b>(2,450,729)</b>	<b>2,621,741</b>	<b>5,808,294</b>	<b>2,321,179</b>	<b>684,115</b>	<b>132,224</b>

**Condensed statement of cashflows as at 31 December 2020**

*In thousands of Naira*

	Group balances	Elimination entries	The Infrastructure Bank Plc	Motorways Asset Limited	Marina Express Train Service Limited	Infrastructure Heights Limited	TIB Asset Management Limited
<i>Net Cash flows from:</i>							
Operating activities	334,518	4,285	364,787	-	4,053	-	(33,780)
Investing activities	(338)	-	(338)	-	-	-	-
Financing activities	-	526	(526)	-	-	-	-
Increase/(decrease in cash and cash equivalents)	334,180	4,811	363,923	-	4,053	-	(33,780)
Cash and Cash equivalents, beginning of year	316,524	18	101,656	36,967	21,774	-	156,109
<b>Cash and Cash equivalents, end of year</b>	<b>650,704</b>	<b>4,829</b>	<b>465,579</b>	<b>36,967</b>	<b>25,827</b>	<b>-</b>	<b>122,329</b>

**Notes to the consolidated and separate financial statements**

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**19 Property and equipment**

<b>Group and Bank</b> <i>In thousands of Naira</i>	<b>Leasehold land</b>	<b>Building</b>	<b>Office equipment</b>	<b>Computer hardware &amp; equipment</b>	<b>Furniture &amp; fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>Cost/Revaluation:</b>							
Balance at 1 January 2021	1,891,086	119,240	38,076	80,999	36,523	81,070	2,246,994
Additions	-	-	-	4,983	-	-	4,983
Revaluation gain (See (a) below)	152,562	-	-	-	-	-	152,562
Balance as at 31 December 2021	2,043,648	119,240	38,076	85,982	36,523	81,070	2,404,539
Balance at 1 January 2020	1,891,086	119,240	38,076	80,661	36,523	81,070	2,246,656
Additions	-	-	-	338	-	-	338
Balance as at 31 December 2020	1,891,086	119,240	38,076	80,999	36,523	81,070	2,246,994
<b>Accumulated depreciation:</b>							
Balance at 1 January 2021	-	(26,152)	(38,077)	(79,917)	(35,753)	(81,070)	(260,969)
Depreciation charge for the year	-	(2,378)	-	(1,791)	(429)	-	(4,598)
Balance as at 31 December 2021	-	(28,530)	(38,077)	(81,708)	(36,182)	(81,070)	(265,567)
Balance at 1 January 2020	-	(23,774)	(36,839)	(78,803)	(35,122)	(79,646)	(254,184)
Depreciation charge for the year	-	(2,378)	(1,238)	(1,114)	(631)	(1,424)	(6,785)
Balance as at 31 December 2020	-	(26,152)	(38,077)	(79,917)	(35,753)	(81,070)	(260,969)
<b>Carrying amounts</b>							
<b>At 31 December 2021</b>	<b>2,043,648</b>	<b>90,710</b>	<b>(1)</b>	<b>4,274</b>	<b>341</b>	<b>-</b>	<b>2,138,972</b>
<b>At 31 December 2020</b>	<b>1,891,086</b>	<b>93,088</b>	<b>(1)</b>	<b>1,082</b>	<b>770</b>	<b>-</b>	<b>1,986,025</b>

(a) The Bank has interest in Leasehold lands located in Abuja (Head Office), Lagos and Kano. The details of the Bank's interest in Leasehold land are as follows:

S/N	Description	Abuja (Head Office)	Lagos	Kano
1	Independent Valuer Company	Jide Taiwo and Co. Estate Surveyors and Valuers	Jide Taiwo and Co. Estate Surveyors and Valuers	Jide Taiwo and Co. Estate Surveyors and Valuers
2	Effective date of revaluation	31 December, 2020	31 December, 2020	31 December, 2020
3	Name of Valuer	Jeremiah Apeh (ANIVS)	Jeremiah Apeh (ANIVS)	Jeremiah Apeh (ANIVS)
4	FRC Number of the valuer	FRC/2019/NIESV/00000019829	FRC/2019/NIESV/00000019829	FRC/2019/NIESV/00000019829
5	FRC number of the Independent Valuer Company	FRC/2012/0000000000254	FRC/2012/0000000000254	FRC/2012/0000000000254
6	Basis of Valuation	Market Value Basis	Market Value Basis	Market value basis
7	Method of Valuation	Cost Approach	Cost Approach	Replacement cost approach
8	Fair value as at 31 December 2021	N981.7 million	N976.1 million	N86.1 million

(b) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: Nil).

(c) There were no contractual commitments for the acquisition of property and equipment as at 31 December 2021 (2020: Nil)

**Notes to the consolidated and separate financial statements**  
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**19(d) Measurement of fair value**

The fair value of leasehold land was determined by an external, independent property valuer, having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the leasehold land of N2.04 billion (31 December 2020: N1.89 billion) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

The fair values of the land was determined using the cost approach method. The assumptions and contingent considered by the valuers include;

- the information supplied is correct
- the title to the property is good and marketable
- 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.

The significant unobservable valuation input is the construction rate to floor area. Significant increases/(decreases) in the estimated cost would result in a significantly higher/(lower) fair value on a linear basis.

*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 leasehold land.

<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>
Fair value of leasehold land	2,043,648	1,891,086
+10% movement in open market price	204,365	189,109
-10% movement in open market price	(204,365)	(189,109)

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**20 Intangible assets**

	Group 2021	Group 2020	Bank 2021	Bank 2019
<i>Net Book Values (NBV):</i>				
Computer software (see note (a) below)	8	1,923	8	1,923
	<b>8</b>	<b>1,923</b>	<b>8</b>	<b>1,923</b>

**20(a) Group/Bank**

<i>In thousands of Naira</i>	<b>Purchased computer software</b>
<b>Cost:</b>	
Balance at 1 January 2021	19,741
Additions	-
Disposals	-
Balance as at 31 December 2021	19,741
Balance at 1 January 2020	19,741
Additions	-
Disposals	-
Balance as at 31 December 2020	19,741
<b>Accumulated amortisation:</b>	
Balance as at 1 January 2021	(17,818)
Amortisation charge for the year	(1,915)
Disposals	-
Balance as at 31 December 2021	(19,733)
Balance as at 1 January 2020	(14,752)
Amortisation charge for the year	(3,066)
Disposals	-
Balance as at 31 December 2020	(17,818)
<b>Carrying amounts:</b>	
<b>At 31 December 2021</b>	<b>8</b>
<b>At 31 December 2020</b>	<b>1,923</b>

**Notes to the consolidated and separate financial statements**  
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**21(a) Borrowings**

<i>Borrowings comprise:</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
<i>In thousands of Naira</i>				
Term loan (See note (c) below)	200,000	200,000	22,502	23,954
<b>Total</b>	<b>200,000</b>	<b>200,000</b>	<b>22,502</b>	<b>23,954</b>
Current	200,000	200,000	22,502	23,954
Non-current	-	-	-	-
<b>Carrying amount</b>	<b>200,000</b>	<b>200,000</b>	<b>22,502</b>	<b>23,954</b>

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

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Balance, beginning of the year	-	-	23,954	24,480
Additions during the year	-	-	-	-
Repayments made during the year	-	-	(1,452)	(526)
<b>Balance, end of year - Gross</b>	<b>-</b>	<b>-</b>	<b>22,502</b>	<b>23,954</b>

(c) Amount represents funds obtained from Motorways Asset Limited. It is repayable on demand as a bullet payment with no stated interest terms.

**22 Provisions and Accruals**

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
Accrued professional fees	28,162	44,305	22,725	38,975
Other accrued expenses (see note (a) below)	93,117	330,502	93,117	330,502
Provision for litigation	-	16,300	-	16,300
<b>Total</b>	<b>121,279</b>	<b>391,107</b>	<b>115,842</b>	<b>385,777</b>
Current	121,279	391,107	115,842	385,777
Non-current	-	-	-	-
<b>Carrying amount</b>	<b>121,279</b>	<b>391,107</b>	<b>115,842</b>	<b>385,777</b>
<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2020</b>
<i>Financial liabilities</i>				
Directors fee and allowances	-	123,506	-	123,506
<i>Non-financial liabilities</i>				
Other accrued expenses	93,117	206,996	93,117	206,996
	93,117	330,502	93,117	330,502

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

<b>23 Employee benefits</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>(a) Defined contribution plan:</b>				
Contributory Pension Scheme (See note (d))	54,195	37,241	54,195	37,241
	54,195	37,241	54,195	37,241
<b>(b) Short term employee benefit</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Performance bonus	190,656	190,656	190,656	190,656
	190,656	190,656	190,656	190,656
(i) This is provision for performance bonus payable to Staff of the Bank in respect of 2013 and 2014 financial years, which remains unpaid. No additional accrual has been made subsequently, as no profit was made after the year 2014.				
<b>(c) Other accrued employee benefits</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<i>Financial liabilities</i>				
Passage allowance	39,444	53,968	39,444	53,968
Leave allowance	8,018	12,563	8,018	12,563
13th month allowance	3,309	4,081	3,309	4,081
	50,771	70,612	50,771	70,612
<b>Total</b>	<b>295,622</b>	<b>298,509</b>	<b>295,622</b>	<b>298,509</b>
Current	295,622	298,509	295,622	298,509
Non-current	-	-	-	-
<b>Carrying amount</b>	<b>295,622</b>	<b>298,509</b>	<b>295,622</b>	<b>298,509</b>

- (d) 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.

<b>Movement in Contributory Pension Scheme</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Opening balance	37,241	21,419	37,241	21,419
Employees' contribution during the year (see note 10)	9,409	10,025	9,409	10,025
Employer's contribution during the year	7,545	13,755	7,545	13,755
Payments during the year	-	(7,830)	-	(7,830)
Closing balance	54,195	37,241	54,195	37,241

**Notes to the consolidated and separate financial statements**  
for the year ended 31 December 2021

<b>24 Other liabilities</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<i>Financial liabilities</i>				
Deposit for shares (see note (a) below)	35,070	35,070	-	-
Sundry liabilities (see note (e) below)	2,031,826	2,093,562	646,955	709,105
Ex-gratia	47,292	47,290	47,292	47,292
Project deposits by counterparties (see note (b) below)	3,705	3,705	3,705	3,705
PMTF debt service reserve fund (see note (c) below)	744,807	744,807	744,807	744,807
Due to PMTF (see note (d) below)	2,715,321	2,677,541	2,715,321	2,677,541
Payables for shares allotted	-	-	1,509	1,509
	<b>5,578,021</b>	<b>5,601,975</b>	<b>4,159,589</b>	<b>4,183,959</b>
<i>Non-financial liabilities</i>				
Back duty tax payable	2,013	2,013	2,013	2,013
Deferred income	197,989	196,736	197,989	196,736
N. H. F. contribution payable	3,634	3,861	3,634	3,861
ITF contribution payable	308	1,723	308	1,723
P. A. Y. E. payable	103,387	77,268	103,387	77,268
Withholding tax payable	23,877	13,020	23,877	13,020
VAT payable	9,007	26,499	9,007	26,499
<b>Total</b>	<b>5,918,236</b>	<b>5,923,095</b>	<b>4,499,804</b>	<b>4,505,079</b>
Current	5,832,169	5,837,030	4,447,298	4,452,573
Non-current	86,067	86,065	52,506	52,506
<b>Carrying amount</b>	<b>5,918,236</b>	<b>5,923,095</b>	<b>4,499,804</b>	<b>4,505,079</b>

- (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.
- (b) Project deposit by counterparties represents deposits contributed by private developers, various states and local government towards meeting up with the conditions for infrastructure loan.
- (c) 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 28.
- (d) Amount represents obligation to the Public Mass Transit Fund as at year end.
- (e) Amount relates to payables to several creditors of the Group during the year.

**25 Statement of prudential adjustments**

<b>Loans and advances to customers</b>		<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Total impairment allowance on loans and advances (a)</b>	15	645,335	645,335
<b>Total impairment based on prudential guidelines (b)</b>		645,335	645,335
<b>Difference (c) = (a) - (b)</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**  
for the year ended 31 December 2021

**26 Reconciliation notes to consolidated and separate statement of cash flows**

<b>26(a) Loans and advances</b>		<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of Naira</i>	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	15	-	-	-	-
Write-off of staff loans	15	-	-	-	-
<b>Balance, end of year - net</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26(b) Fee income receivable</b>					
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	16	-	1,561	-	1,561
Writeback during the year	16	-	46	-	46
Net change		3,842	(1,607)	3,842	(1,607)
<b>Balance, end of year</b>	<b>16</b>	<b>3,842</b>	<b>-</b>	<b>3,842</b>	<b>-</b>
<b>26(c) Other assets</b>					
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	17(a)	6,477,553	6,468,684	7,849	14,762
Impairment during the year	17(b)	-	-	(726)	(265)
Withholding tax credit utilized	17(b)	-	(2,182)	-	(2,182)
Net change		545	11,051	32,005	(4,466)
<b>Balance, end of year</b>	<b>17(a)</b>	<b>6,478,098</b>	<b>6,477,553</b>	<b>39,128</b>	<b>7,849</b>
<b>26(d) Accruals</b>					
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	22	391,107	222,504	385,777	218,625
Net change		(269,828)	168,603	(269,935)	167,152
<b>Balance, end of year</b>	<b>22</b>	<b>121,279</b>	<b>391,107</b>	<b>115,842</b>	<b>385,777</b>
<b>26(e) Other liabilities</b>					
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	24	5,923,095	5,754,436	4,505,079	4,328,151
Transfer to borrowings	21(a)	-	-	-	-
Net change		(4,858)	168,660	(5,275)	176,928
<b>Balance, end of year</b>	<b>24</b>	<b>5,918,236</b>	<b>5,923,095</b>	<b>4,499,804</b>	<b>4,505,079</b>
<b>26(f) Short term employee benefit</b>					
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	23	298,509	242,399	298,509	242,399
Net change		(2,887)	56,110	(2,887)	56,110
<b>Balance, end of year</b>	<b>23</b>	<b>295,622</b>	<b>298,509</b>	<b>295,622</b>	<b>298,509</b>

**Notes to the consolidated and separate financial statements**  
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**27 Capital and reserves**

**27(a) Share capital**

<b>Share capital - Authorised</b>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
<i>In thousands of unit</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>

6,206,000 ordinary shares of N.50k each	3,103,000	3,103,000	3,103,000	3,103,000
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**Share capital - in issue at 31 December - fully paid**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>

6,206,000 ordinary shares of N.50k each	3,103,000	3,103,000	3,103,000	3,103,000
	<b>3,103,000</b>	<b>3,103,000</b>	<b>3,103,000</b>	<b>3,103,000</b>

**27(b) Capital contribution reserve**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>

Contributions from Federal Government of Nigeria	1,391,230	1,391,230	1,391,230	1,391,230
	<b>1,391,230</b>	<b>1,391,230</b>	<b>1,391,230</b>	<b>1,391,230</b>

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.

**27(c) Revaluation reserves**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>

Balance, beginning of year	1,028,619	1,028,619	1,028,619	1,028,619
Revaluation gain on land during the year	152,562	-	152,562	-

<b>Balance, end of year</b>	<b>1,181,181</b>	<b>1,028,619</b>	<b>1,181,181</b>	<b>1,028,619</b>
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Revaluation reserves represents surplus arising from the revaluation of the Bank's interest in its Head office leasehold land, Kano land and Lagos 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 Jide Taiwo & Co Estate Surveyors and Valuers (see note 19).

**27(d) Accumulated losses**

<i>In thousands of Naira</i>	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>

Balance, beginning of year	(5,012,889)	(4,953,996)	(8,560,771)	(8,509,293)
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Transfer from statement of comprehensive income	(59,315)	(58,893)	(78,471)	(51,478)
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<b>Balance, end of year</b>	<b>(5,072,204)</b>	<b>(5,012,889)</b>	<b>(8,639,242)</b>	<b>(8,560,771)</b>
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Accumulated losses are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

**Notes to the consolidated and separate financial statements**  
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**27(e) Non-controlling interest**

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>	<b>MAL 2021</b>	<b>METSL 2021</b>	<b>MAL 2020</b>	<b>METSL 2020</b>
NCI percentage	34.5%	6.3%	34.5%	6.3%
Non-current assets	5,770,816	-	5,770,816.00	-
Current assets	172,499	2,323,344	172,499	2,321,179
Non-current liabilities	-	-	-	-
Current liabilities	(1,904,675)	(3,020,925)	(1,903,980)	(3,018,110)
<b>Net assets</b>	<b>4,038,640</b>	<b>(697,581)</b>	<b>4,039,335</b>	<b>(696,931)</b>
Net assets attributable to NCI	1,393,331	(44,058)	1,393,571	(44,018)
Revenue	-	-	-	-
Loss	(695)	(650)	(600)	(759)
OCI	-	-	-	-
<b>Total comprehensive loss</b>	<b>(695)</b>	<b>(650)</b>	<b>(600)</b>	<b>(759)</b>
Loss allocated to NCI	(240)	(41)	(207)	(48)
OCI allocated to NCI	-	-	-	-

**27(f) Movement in non-controlling interest**

<i>In thousands of Naira</i>	<b>MAL 2021</b>	<b>METSL 2021</b>	<b>MAL 2020</b>	<b>METSL 2020</b>
Balance, beginning of year	1,393,571	(45,762)	1,393,778	(45,714)
Addition due to acquisition in Marina Express Train Services Limited	-	-	-	-
Share of post-acquisition loss	(240)	(41)	(207)	(48)
<b>Total NCI at year end</b>	<b>1,393,331</b>	<b>(45,803)</b>	<b>1,393,571</b>	<b>(45,762)</b>

**Notes to the consolidated and separate financial statements**  
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**28 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 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 shown below:

<i>In thousands of Naira</i>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	8,759,167	5,005,190
Loans and advances	12,717,234	15,629,446
Vehicles awaiting release	432,456	3,277,532
Other Assets	3,893,485	2,677,541
	<b>25,802,342</b>	<b>26,589,709</b>

**29 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) Parent**

The parent company of the Group is Armdof Asset Limited, which has 38.4% interest in The Infrastructure Bank Plc.

During the year, the Bank engaged with an investor, Norrenberger Investment and Capital Management Limited, and Norrenberger has credited the escrow account with N1,944,986,672, for purchase of 60% equity (3,740,358,986 shares) in the Bank.

**(b) 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 18.

**Notes to the consolidated and separate financial statements**  
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The balances outstanding for Marina Express Train Services as at 31 December 2021 and 31 December 2020 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
<b>31 December 2021</b>						
Income receivable	-	300,000	-	(300,000)	-	-
Other receivable	-	741,611	-	(741,611)	-	-
	-	<b>1,041,611</b>	-	<b>(1,041,611)</b>	-	-
<b>31 December 2020</b>						
Income receivable	-	300,000	-	(300,000)	-	-
Other receivable	-	741,311	-	(741,311)	-	-
	-	<b>1,041,311</b>	-	<b>(1,041,311)</b>	-	-

The balance outstanding for Infrastructure Heights Limited as at 31 December 2021 and 31 December 2020 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
<b>31 December 2021</b>						
Income receivable	-	120,000	-	(120,000)	-	-
Other receivables	-	546,317	-	(546,317)	-	-
	-	<b>666,317</b>	-	<b>(666,317)</b>	-	-
<b>31 December 2020</b>						
Income receivable	-	120,000	-	(120,000)	-	-
Other receivables	-	545,891	-	(545,891)	-	-
	-	<b>665,891</b>	-	<b>(665,891)</b>	-	-

The balances outstanding for Motorways Asset Limited as at 31 December 2021 and 31 December 2020 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
<b>31 December 2021</b>						
Borrowings	-	22,502	-	-	-	22,502
Other receivables	-	3,104	-	(3,104)	-	-
	-	<b>25,606</b>	-	<b>(3,104)</b>	-	<b>22,502</b>
<b>31 December 2020</b>						
Borrowings	-	23,954	-	-	-	23,954
Other receivables	-	3,104	-	(3,104)	-	-
	-	<b>27,058</b>	-	<b>(3,104)</b>	-	<b>23,954</b>

**(c) Funds under management- Federal Government of Nigeria**

<i>In thousands of Naira</i>	Group 2021	Bank 2020	Group 2021	Bank 2020
PMTF debt service reserve fund	744,807	744,807	744,807	826,067
Due to PMTF	2,715,321	2,677,541	2,715,321	2,677,541

**Funds under management**

<i>In thousands of Naira</i>	2021	2020
<b>PMTF</b>		
Cash and cash equivalents	8,759,167	5,005,190
Loans and advances	12,717,234	15,629,446
Vehicles awaiting release	432,456	3,277,532
Other Assets	3,893,485	2,677,541
	<b>25,802,342</b>	<b>26,589,709</b>

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**(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 2021 (2020: 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>	<b>2021</b>	<b>2020</b>
Executive compensation	52,631	52,631
Post-employment benefits	-	-
Directors fees	46,375	45,875
Directors allowances	15,138	14,983
	<b>114,144</b>	<b>113,489</b>

**Directors' remuneration**

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

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>Group 2020</b>	<b>Bank 2021</b>	<b>Bank 2019</b>
Chairman	8,438	8,438	8,438	8,438
Highest paid director	52,631	52,631	52,631	52,631

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 (2020: Nil).

**Notes to the consolidated and separate financial statements**  
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**30 Contravention of laws and regulations**

During the year ended 31 December 2021, the bank paid a penalty of ₦5.18 million to the Central Bank of Nigeria for the late submission of the 2018 audited financial statement (2020: Nil).

**31 Contingent liabilities and commitment**

The Group in its ordinary course of business was involved in 8 cases as a defendant (2020: 8) and 1 case as a plaintiff (2020:1). The total amount claimed in the cases against the Group is estimated at N194.4 million (2020: N3.4 billion) while the amount claimed in the cases by the Group is estimated at N100 million (2020: 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.

**32 Going concern and regulatory capital plan**

The Group and the Bank reported a loss after tax of ₦59.60 million (2020: ₦59.15 million) and ₦78.47 million (2020: ₦51.48 million) respectively, and as of that date, the Bank's shareholders' funds of N2.96 billion deficit was significantly below the minimum regulatory capital of ₦10 billion by 130%, as required by the Central Bank of Nigeria (CBN) for Retail Development Finance Institutions (RDFIs) in Nigeria.

Furthermore, as of 31 December 2021, the Bank's Capital Adequacy Ratio was negative 193% (2020: negative 416%), which was below the minimum regulatory Capital Adequacy Ratio of 10% specified in the CBN Prudential Guidelines.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Bank to continue as a going concern, and as such may be unable to realise its assets and discharge their liabilities in the normal course of business.

On 26 July 2021, some shareholders of the Bank with 60% equity stake (3,740,358,986 shares) sold their holdings to a new shareholder, Norrenberger Investment and Capital Management Limited, for ₦1.94 billion. The process of recapitalisation is still ongoing, as Norrenberger Investment and Capital Management Limited is yet to inject new capital into the Bank. The new shareholder has committed to recapitalizing the Bank in two (2) phases. In the first phase, they will recapitalize the Bank with ₦10 billion after the purchase of the shares. In the second phase, they will seek international long-term funding from multinational institutions to shore up capital to ₦100 billion. The first phase process is still ongoing and the Bank is awaiting CBN approval for the takeover of the shares by the new investor.

The Directors acknowledge that a material uncertainty remains over the ability of the Bank to meet its regulatory capital requirements and to settle its obligations as they fall due in the normal course of business. However, as described above, the Directors are optimistic that the new shareholder will provide the capital to meet the minimum regulatory capital requirement as required by CBN and to meet the Group and Bank's obligations as they fall due.

Based on the above, the Directors have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future and as such, realise its assets and settle its liabilities in the normal course of business. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

**33 Events after the reporting date**

The Bank had no events after the financial position date that will materially affect the financial position shown in these financial statements.

## **Other national disclosures**

**Other national disclosures**  
**Value added statement**  
**for the year ended 31 December 2021**

<i>In thousands of Naira</i>	<b>Group 2021</b>	<b>%</b>	<b>Group 2020</b>	<b>%</b>	<b>Bank 2021</b>	<b>%</b>	<b>Bank 2020</b>	<b>%</b>
Gross earnings	403,984		508,390		401,388		507,079	
Interest expense	-		-		-		-	
	403,984		508,390		401,388		507,079	
Net impairment loss on assets	-		46		(21,810)		(219)	
Bought-in-materials and services	(227,987)		(283,387)		(225,570)		(280,549)	
<b>Value eroded</b>	<b>175,997</b>	<b>100</b>	<b>225,049</b>	<b>100</b>	<b>154,008</b>	<b>100</b>	<b>226,311</b>	<b>100</b>
<b>Distribution of Value Added</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>
<i>To Employees:</i>								
Employees costs	228,077	130	273,078	121	224,963	148	266,670	119
<i>To government</i>								
Government as taxes	1,003	1	1,268	1	1,003	1	1,268	1
<i>Retained in business:</i>								
- For replacement of property and equipment and software	6,513	4	9,851	4	6,513	4	9,851	4
- To deplete reserve	(59,596)	(34)	(59,148)	(26)	(78,471)	(51)	(51,478)	(24)
<b>Value added/(eroded)</b>	<b>175,997</b>	<b>100</b>	<b>225,049</b>	<b>100</b>	<b>154,008</b>	<b>102</b>	<b>226,311</b>	<b>100</b>

**Other national disclosures**

**Financial summary**

**- Group**

<i>In thousands of Naira</i>	<b>December 2021</b>	<b>December 2020</b>	<b>December 2019</b>	<b>December 2018</b>	<b>December 2017</b>
<b>Assets</b>					
Cash and cash equivalents	311,679	650,703	316,524	258,434	340,701
Loans and receivables	-	-	-	-	2,883
Fee income receivables	3,842	-	1,561	735	29,454
Other assets	6,478,098	6,477,553	6,468,684	6,359,278	563,787
Equity-accounted investee	-	-	-	-	-
Property and equipment	2,138,972	1,986,025	1,992,472	2,003,719	1,983,945
Intangible assets	8	1,923	4,989	7,968	27,346,534
Current tax assets	-	620	-	-	-
Deferred tax assets	-	-	-	-	-
<b>Total assets</b>	<b>8,932,599</b>	<b>9,116,824</b>	<b>8,784,230</b>	<b>8,630,134</b>	<b>30,267,304</b>
<b>Liabilities</b>					
Borrowings	200,000	200,000	200,000	-	-
Provision and accruals	121,279	391,107	222,504	176,425	137,584
Employee benefits obligations	295,622	298,509	242,399	247,714	199,784
Current tax liabilities	383	-	1,630	12,150	7,286
Other liabilities	5,918,236	5,923,095	5,754,436	5,708,104	27,021,278
Deferred tax liabilities	446,344	446,344	446,344	446,344	449,144
<b>Total liabilities</b>	<b>6,981,864</b>	<b>7,259,055</b>	<b>6,867,313</b>	<b>6,590,737</b>	<b>27,815,076</b>
<b>Net asset</b>	<b>1,950,735</b>	<b>1,857,769</b>	<b>1,916,917</b>	<b>2,039,397</b>	<b>2,452,228</b>
<b>Equity</b>					
Share capital	3,103,000	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 reserves	1,181,181	1,028,619	1,028,619	1,028,619	997,090
Accumulated losses	(5,072,204)	(5,012,889)	(4,953,996)	(4,877,437)	(4,435,706)
Non controlling interest	1,347,528	1,347,809	1,348,064	1,393,985	1,396,614
<b>Total equity</b>	<b>1,950,735</b>	<b>1,857,769</b>	<b>1,916,917</b>	<b>2,039,397</b>	<b>2,452,228</b>
<b>Gross earnings</b>	<b>375,832</b>	<b>474,236</b>	<b>383,564</b>	<b>404,300</b>	<b>501,143</b>
<b>Loss before taxation</b>	<b>(58,593)</b>	<b>(57,880)</b>	<b>(76,369)</b>	<b>(451,640)</b>	<b>(1,475,147)</b>
<b>Loss after taxation</b>	<b>(59,596)</b>	<b>(59,148)</b>	<b>(78,208)</b>	<b>(444,360)</b>	<b>(1,642,681)</b>
<b>Loss attributable to equity holders</b>	<b>(59,596)</b>	<b>(59,148)</b>	<b>(78,208)</b>	<b>(444,360)</b>	<b>(1,642,681)</b>
<b>Loss per share</b>					
- Basic	(1)	(1)k	(1)k	(7)k	(53)k
- Diluted	(1)	(1)k	(1)k	(7)k	(37)k
<b>Number of ordinary shares of N0.50 each</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>3,103,000</b>

**Other national disclosures**  
**Financial Summary**  
**- Bank**

<i>In thousands of Naira</i>	<b>December 2021</b>	<b>December 2020</b>	<b>December 2019</b>	<b>December 2018</b>	<b>December 2017</b>
<b>Assets</b>					
Cash and cash equivalents	96,055	465,579	101,656	56,753	87,474
Loans and receivables	-	-	-	-	2,883
Fee income receivables	3,842	-	1,561	735	29,454
Other assets	39,128	7,849	14,762	551,450	745,482
Investment in subsidiaries	137,843	158,927	158,927	2,727,152	2,794,463
Equity-accounted investee	-	-	-	-	-
Property and equipment	2,138,972	1,986,025	1,992,472	2,003,719	1,983,945
Intangible assets	8	1,923	4,989	7,968	11,007
Deferred tax assets	-	-	-	-	-
Current tax assets	435	1,438	-	-	-
<b>Total assets</b>	<b>2,416,283</b>	<b>2,621,741</b>	<b>2,274,367</b>	<b>5,347,777</b>	<b>5,654,708</b>
<b>Liabilities</b>					
Borrowings	22,502	23,954	24,480	25,000	-
Provision and accruals	115,842	385,777	218,625	173,615	135,544
Employee benefits obligations	295,622	298,509	242,399	247,714	199,784
Current tax liabilities	-	-	812	11,332	7,286
Other liabilities	4,499,804	4,505,079	4,328,151	4,256,035	4,106,809
Deferred tax liabilities	446,344	446,344	446,344	446,344	449,144
<b>Total liabilities</b>	<b>5,380,114</b>	<b>5,659,663</b>	<b>5,260,811</b>	<b>5,160,040</b>	<b>4,898,567</b>
<b>Net asset</b>	<b>(2,963,831)</b>	<b>(3,037,922)</b>	<b>(2,986,444)</b>	<b>187,737</b>	<b>756,141</b>
<b>Equity</b>					
Share capital	3,103,000	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 reserves	1,181,181	1,028,619	1,028,619	1,028,619	997,090
Accumulated losses	(8,639,242)	(8,560,771)	(8,509,293)	(5,335,112)	(4,735,179)
<b>Total equity</b>	<b>(2,963,831)</b>	<b>(3,037,922)</b>	<b>(2,986,444)</b>	<b>187,737</b>	<b>756,141</b>
<b>Fund under management</b>	<b>25,802,342</b>	<b>26,589,709</b>	<b>27,338,812</b>	<b>27,143,691</b>	<b>26,424,211</b>
<b>Gross earnings</b>	<b>401,388</b>	<b>507,079</b>	<b>392,232</b>	<b>366,484</b>	<b>475,398</b>
<b>Loss before taxation</b>	<b>(77,468)</b>	<b>(50,210)</b>	<b>(3,172,342)</b>	<b>(608,031)</b>	<b>(2,278,846)</b>
<b>Loss after taxation</b>	<b>(78,471)</b>	<b>(51,478)</b>	<b>(3,174,181)</b>	<b>(599,933)</b>	<b>(2,445,563)</b>
<b>Loss attributable to equity holders</b>	<b>(78,471)</b>	<b>(51,478)</b>	<b>(3,174,181)</b>	<b>(599,933)</b>	<b>(2,445,563)</b>
<b>Loss per share</b>					
- Basic	(1)	(1)k	(51)k	(10)k	(79)k
- Diluted	(1)	(1)k	(51)k	(10)k	(79)k
<b>Number of ordinary shares of N0.50 each</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>6,206,000</b>	<b>3,103,000</b>