Infrastructure Credit Guarantee Company PLC

Annual Report
for the year ended 31 December 2024

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Corporate information

			Nationality	
Directors	Mr. Sanjeev Gupta	- Chairman	Indian	
	Mr. Chinua Azubike	- Managing Director/Chief Executive Officer	Nigerian	
	Mr. Christopher Vermont	-Non-Executive Director	British	
	Mr. Banji Fehintola	-Non-Executive Director	Nigerian	
	Ms. Vivien Shobo	-Independent Non-Executive Director	Nigerian	
	Ms. Claire Jarratt	-Non-Executive Director	British	*Resigned 1 November 2024*
	Mr. Gilles Vaes	-Non-Executive Director	Belgian	
	Ms. Hamda Ambah	-Independent Non-Executive Director	Nigerian	
	Mr. Aminu Umar-Sadiq	-Non-Executive Director	Nigerian	*Resigned 29 July 2024*
	Mr. Reginald Ihebuzor	-Non-Executive Director	Nigerian	*Resigned 29 July 2024*
	Mr. Kolawole Owodunni	-Non-Executive Director	Nigerian	*Appointed 29 July 2024*
	Ms. Ijeoma Taylaur	-Non-Executive Director	Nigerian	*Appointed 1 November 2024*
	Mr. Michael Chilton	-Non-Executive Director	British	*Appointed 1 November 2024*
	Mr. Daniel Mueller	-Executive Director	American	*Appointed 25 April 2024*

Registered office

Infrastructure Credit Guarantee Company PLC
1 Adeyemo Alakija Street,
Victoria Island,
Lagos
Email: info@infracredit.ng
Website: www.infracredit.ng

Solicitor

Olaniwun Ajayi LP
Plot L2, 401 Close, Banana Island,
Ikoyi,
Lagos
Email: lawyers@olaniwunajayi.net

Auditor

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos
www.kpmg.com.ng

Bankers

Access Bank Plc
Ecobank Nigeria Limited
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc
United Bank for Africa Plc
Standard Chartered Bank Limited

RC Number 1368639

TIN 20149675-0001

Directors' report
for the year ended 31 December 2024

The Directors present their report on the affairs of Infrastructure Credit Guarantee Company PLC ("the Company") formerly known as Infrastructure Credit Guarantee Company Limited together with the audited financial statements and independent auditor's report for the year ended 31 December 2024.

1 Legal form
The Company was incorporated in Nigeria as a private limited liability company on 20 October 2016 to perform the business of providing credit enhancement and guarantees. It commenced operations in January 2017 and on 12 December 2024, the Company became a public company limited by shares.

2 Principal activities
The principal activity of the Company is to provide credit enhancement and issue credit guarantees for eligible infrastructure transactions. The Company is also involved in investing in corporate debt securities, FGN bonds and Eurobonds, and other liquid and highly rated short term debts issued by the Federal Government of Nigeria as may be approved by the Board of the Company.

3 Operating results
Highlights of the Company's operating results for the year are as follows:

In thousands of Naira	**31 December 2024**	**31 December 2023**
Gross earnings	**26,913,577**	**12,222,487**
Profit before minimum tax and income tax expense	61,558,548	47,047,371
Minimum tax	-	(61,112)
Profit after minimum tax	61,558,548	46,986,258
Income tax expenses	(698,051)	(607,113)
Profit for the year	**60,860,497**	**46,379,146**

4 During the year, at the Board meeting on 4 March, 2024 the board approved the payment of a total cash dividend of N3.78 billion comprising N373 million for all ordinary shares ranking for dividends for the year ended 31 December 2023 and N3.4 billion for all preference shares ranking for dividends for the years ended 31 December 2023 and 2022.

Also, on 1 November, 2024, the Board approved the payment of total cash dividend of N1.86 billion for all ordinary shares ranking for dividends for the interim period ended 30 June 2024.

5 Directors and their interests
The Directors who held office during the year are:

Name		**Designation**	**Nationality**	
Mr. Sanjeev Gupta	-	Chairman	Indian	
Mr. Chinua Azubike	-	Managing Director/Chief Executive Officer	Nigerian	
Mr. Christopher Vermont	-	Non-Executive Director	British	
Mr. Banji Fehintola	-	Non-Executive Director	Nigerian	
Ms. Vivien Shobo	-	Independent Non-Executive Director	Nigerian	
Ms. Claire Jarratt	-	Non-Executive Director	British	Resigned 1 November 2024
Mr. Gilles Vaes	-	Non-Executive Director	Belgian	
Ms. Hamda Ambah	-	Independent Non-Executive Director	Nigerian	
Mr. Aminu Umar-Sadiq	-	Non-Executive Director	Nigerian	Resigned 29 July 2024
Mr. Reginald Ihebuzor	-	Non-Executive Director	Nigerian	Resigned 29 July 2024
Mr. Kolawole Owodunni	-	Non-Executive Director	Nigerian	Appointed 29 July 2024
Ms. Ijeoma Taylaur	-	Non-Executive Director	Nigerian	Appointed 1 November 2024
Mr. Michael Chilton	-	Non-Executive Director	British	Appointed 1 November 2024
Mr. Daniel Mueller	-	Executive Director	American	Appointed 25 April 2024

None of the Directors have an interest in the shareholding of the Company as required to be disclosed under section 301 of the Companies and Allied Matters Act 2020.

6 Directors' interests in contracts
None of the Directors had direct or indirect interests in contracts with the Company during the year as required to be disclosed under section 303 of the Companies and Allied Matters Act (CAMA) 2020.

7 Meetings of the Board of Directors
There were five meetings of Board of Directors during the year.

8 Property and equipment
Information relating to changes in property and equipment is provided in note 20 of the financial statements.

9 Shareholding analysis
On 27 December 2024, the Company increased its share capital from N50,000,000,000 to N50,255,079,725 by creation of additional 255,079,725 ordinary shares of N1.00 each.

According to the statement of share capital and return of allotment of shares, the shareholders of the Company are as follows:

	Number of ordinary shares held	**Number of preference shares held**	**Total number of shares held**	**% Shareholding**
31 December 2024				
Shareholders:				
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589	35.8%
Africa Finance Corporation (AFC)	4,360,193,641	9,952,067,699	14,312,261,340	30.7%
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031	23.6%
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557	5.9%
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139	4.0%
	15,255,079,725	**31,408,731,931**	**46,663,811,656**	**100%**
Shares held in trust:				
United Capital Trustees Limited (UCTL)	-	3,591,268,069	3,591,268,069	
	15,255,079,725	**35,000,000,000**	**50,255,079,725**	

Directors' report
for the year ended 31 December 2024

31 December 2023	Number of ordinary shares held	Number of preference shares held	Total number of shares held	% Shareholding
Shareholders:				
Nigeria Sovereign Investment Authority (NSIA)	1,239,493,751	10,187,280,172	11,426,773,923	30.4%
Africa Finance Corporation (AFC)	1,239,493,751	9,952,067,699	11,191,561,450	29.7%
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031	29.3%
Leadway Assurance Company Limited	640,493,326	1,461,531,905	2,102,025,231	5.6%
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139	5.0%
	6,215,390,843	**31,408,731,931**	**37,624,122,774**	**100%**
Shares held in trust:				
United Capital Trustees Limited (UCTL)	8,784,609,157	3,591,268,069	12,375,877,226	
	15,000,000,000	**35,000,000,000**	**50,000,000,000**	

10 Human Resources

Equal Opportunity Employer

The Company is an equal opportunity employer in all regards. The Company does not discriminate on the basis of gender, religion, race or disability. Applications by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is provided. It is the policy of the Company that the training, career development and promotion of disabled persons should as far as possible, be identical with those of other employees.

All aspects of employment including the decision to hire, promote, discipline, or discharge, is based on merit, competence, performance, and business needs.
The Company had no disabled person in its employment as at 31 December 2024 (December 2023: Nil).

Health, safety and welfare at work

The Company enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. Medical facilities are provided for employees and their immediate families at the Company's expense up to stated limits. Fire-fighting equipment are installed in strategic locations within the Company's premises.

Employee involvement and training

The Company's policy with regards to employee involvement and training is to encourage participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. Consequently, the Company sponsors its employees for various training courses as necessary.

11 Events after the end of the reporting year

Following the completion of the Rights Issue on December 27, 2024, and the public listing of the Company on December 12, 2024, the Company is currently in the process of listing on the NASD and concurrently raising additional capital of N27 billion through a Private Placement.

12 Donations and charitable gifts

No donation was made to any political party or organization during the year (2023:Nil).

13 Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Company. In accordance with section 401(2) of the Companies and Allied Matters Act of Nigeria therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

Onwubere Chidinma Ihuoma
FRC/2015/PRO/NBA/002/00000011359
Company Secretary
07 March 2025

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

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, and the Financial Reporting Council of Nigeria Act 2023 (as amended).

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 enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Sanjeev Gupta	Chinua Azubike
FRC/2023/PRO/DIR/003/816114	FRC/2017/PRO/00000016559
Chairman	Managing Director/Chief Executive Officer
07 March 2025	07 March 2025

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

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA) 2020, we, the Managing Director/CEO and Financial Controller, hereby certify the financial statements of Infrastructure Credit Guarantee Company PLC for the year ended 31 December 2024 as follows:

(a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.

(b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

(c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2024.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, during the year ended 31 December 2024.

(e) 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.

(f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company'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 Company's internal control.

Chinua Azubike
FRC/2017/PRO/00000016559
Managing Director/Chief Executive Officer
07 March 2025

Collins Eguakun
FRC/2013/PRO/ICAN/001/00000000843
Financial Controller
07 March 2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Chinua Azubike, certify that:

(a) I have reviewed Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Infrastructure Credit Guarantee Company PLC ("the Company");

(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

(d) The Company's other certifying officer and I:

(i) are responsible for establishing and maintaining internal controls

(ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

(iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee:

(i) that there are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(ii) that there is no fraud whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

(f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Chinua Azubike
FRC/2017/PRO/00000016559
Managing Director/Chief Executive Officer
07 March 2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Collins Eguakun, certify that:

(a) I have reviewed Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Infrastructure Credit Guarantee Company PLC ("the Company");

(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

(d) The Company's other certifying officer and I:
(i) are responsible for establishing and maintaining internal controls
(ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
(iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee:
(i) that there are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
(ii) that there is no fraud whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

(f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Collins Eguakun
FRC/2013/PRO/ICAN/001/00000000843
Financial Controller
07 March 2025

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of Infrastructure Credit Guarantee Company PLC is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council (Amendment Act, 2023).

The management of Infrastructure Credit Guarantee Company PLC assessed the effectiveness of our internal control over financial reporting as of 31 December 2024 using the criteria set forth in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2024, the management Infrastructure Credit Guarantee Company PLC did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2024, the Company's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 11 – 13 of the Annual Report.

Changes in Internal Control Over Financial Reporting
There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

Chinua Azubike	Collins Eguakun
FRC/2017/PRO/00000016559	FRC/2013/PRO/ICAN/001/00000000843
Managing Director/Chief Executive Officer	Financial Controller
07 March 2025	07 March 2025

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KPMG Tower
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Independent Auditor's Limited Assurance Report

To the Shareholders of Infrastructure Credit Guarantee Company PLC

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Infrastructure Credit Guarantee Company PLC ("the Company") as of 31 December 2024 is effective in accordance with the criteria established in the *Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework")* and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Infrastructure Credit Guarantee Company PLC's internal control over financial reporting as of *31 December 2024* is not effective, in all material respects, in accordance with the criteria established in *the COSO Framework* and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants *(including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other matter

We have audited the *separate* financial statements of Infrastructure Credit Guarantee Company PLC's in accordance with the International Standards on Auditing, and our report dated 18 March 2025, expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Infrastructure Credit Guarantee Company PLC is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying the Management's Report on Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

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

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Obaloje

Oseme J. Obaloje, FCA
FRC/2013/PRO/ICAN/004/00000004803
For: KPMG Professional Services
Chartered Accountants

18 March 2025
Lagos, Nigeria

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infrastructure Credit Guarantee Company PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infrastructure Credit Guarantee Company PLC (the "Company"), which comprise:

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate information, Director's report, statement of Director's responsibilities in relation to the financial statements for the year ended 31 Dec 2024, Statement of corporate responsibilities for the financial statement, Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting, Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024, Other national disclosures, capital management and supplementary financial information, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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 Company, so far as appears from our examination of those books
iii. The Company’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 FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management’s assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 18 March, 2025. That report is included on page 11-13 of the annual report.

Oseme J. Obaloje, FCA
FRC/2013/PRO/ICAN/004/00000004803
For: KPMG Professional Services
Chartered Accountants

18 March 2025
Lagos, Nigeria

Statement of financial position
As at:

In thousands of Naira	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	15	39,013,538	7,702,488
Investment securities	16	257,869,214	157,281,654
Guarantee fee receivable	17	8,770,252	8,674,785
Trade and other receivables	18	1,936,297	608,386
Prepayments	19	346,076	246,818
Property and equipment	20	423,466	281,109
Right of use asset	21	277,086	129,552
Intangible assets	22	124,464	128,843
Deferred tax asset	24	483,602	380,461
Total assets		**309,243,995**	**175,434,097**
Liabilities			
Current tax liability	14(c)	890,381	599,649
Financial guarantee liability	23	10,289,597	10,365,600
Other liabilities	25	3,961,263	2,252,653
Employee benefit obligation	26	1,417,937	1,046,498
Lease liability	27	64,803	122,196
Unsecured subordinated long term loans	30	134,414,766	68,107,426
Total liabilities		**151,038,747**	**82,494,022**
Equity			
Ordinary share capital	28	15,255,080	6,215,391
Share premium	28(e)	10,668,787	1,016,924
Irredeemable preference share capital	28(b)	8,022,905	8,022,905
Redeemable preference share capital	28(c)	23,385,829	23,385,829
Retained earnings	29	100,872,647	54,299,026
Total equity		**158,205,248**	**92,940,075**
Total liabilities and equity		**309,243,995**	**175,434,097**

The financial statements were approved by the Board of Directors on the 07 March 2025 and signed on its behalf by:

Mr. Sanjeev Gupta
FRC/2023/PRO/DIR/003/816114
Chairman

Mr. Chinua Azubike
FRC/2017/PRO/00000016559
Managing Director/Chief Executive Officer

Mr. Collins Eguakun
FRC/2013/PRO/ICAN/001/00000000843
Financial Controller

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

Statement of profit or loss and other comprehensive income
For the year ended:

In thousands of Naira	Note	31 December 2024	31 December 2023
Gross revenue		**26,913,577**	**12,222,487**
Guarantee fee income	7	5,207,911	3,514,106
Guarantee fee expenses	8	(1,505,559)	(641,731)
		3,702,352	2,872,375
Interest income	9(a)	21,705,666	8,708,381
Interest expense	9(b)	(6,674,335)	(3,006,620)
Impairment losses on financial instruments	10	(1,564,913)	(896,833)
Other income	11(a)	21,441	-
Foreign exchange gain	11(b)	50,731,484	42,834,137
		67,921,695	**50,511,440**
Personnel expenses	12(a)	(3,584,625)	(2,059,429)
Depreciation of property and equipment	20	(105,545)	(94,116)
Depreciation of right of use asset	21	(31,006)	(21,897)
Amortisation of intangible asset	22	(10,382)	(16,721)
Other operating expenses	13	(2,631,589)	(1,271,905)
		(6,363,147)	**(3,464,069)**
Profit before minimum tax and income tax expense		**61,558,548**	**47,047,371**
Minimum taxation	14(a)	-	(61,112)
Profit after minimum tax		**61,558,548**	**46,986,258**
Income tax expense	14(a)	(698,051)	(607,113)
Profit for the period		**60,860,497**	**46,379,146**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income		**60,860,497**	**46,379,146**

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

Statement of changes in equity
For the year ended 31 December 2024

In thousands of Naira	Note	Share capital	Irredeemable preference	Redeemable preference capital	Share premium	Retained earnings	Total
Balance at 1 January 2024		**6,215,391**	**8,022,905**	**23,385,829**	**1,016,924**	**54,299,026**	**92,940,075**
Total comprehensive income for the period							
Transfer from profit or loss and other comprehensive income		-	-	-	-	60,860,497	60,860,497
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**60,860,497**	**60,860,497**
Transactions with owners of company:							
Issue of additional Ordinary shares	28 (d)	9,039,689	-	-	9,672,467	-	18,712,156
Transaction cost on issue of shares		-	-	-	(20,604)	-	(20,604)
Payment of Ordinary dividend	29 (a)	-	-	-	-	(372,924)	(372,924)
Ordinary dividend declared	29 (c)	-	-	-	-	(1,864,617)	
Payment of Preference dividend	29 (a&b)	-	-	-	-	(12,049,335)	(12,049,335)
		9,039,689	**-**	**-**	**9,651,863**	**(14,286,875)**	**4,404,677**
Balance at 31 December 2024		**15,255,080**	**8,022,905**	**23,385,829**	**10,668,787**	**100,872,647**	**158,205,248**
Balance at 1 January 2023		**3,497,637**	**8,022,905**	**21,915,065**	**113,945**	**10,294,983**	**43,844,535**
Total comprehensive income for the period							
Transfer from profit or loss and other comprehensive income		-	-	-	-	46,379,146	46,379,146
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**46,379,146**	**46,379,146**
Transactions with owners of company:							
Issue of additional Ordinary shares	29 (c)	1,881,206	-	-	902,979	-	2,784,185
Capitalisation of Ordinary shares	29 (c)	836,548	-	-	-	(874,409)	(37,861)
Capitalisation of preference dividend	30 (a)	-	-	1,470,764	-	(1,500,692)	(29,928)
		2,717,754	**-**	**1,470,764**	**902,979**	**(2,375,101)**	**2,716,396**
Balance at 31 December 2023		**6,215,391**	**8,022,905**	**23,385,829**	**1,016,924**	**54,299,026**	**92,940,075**

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

Statement of cash flows
For the year ended

In thousands of Naira	Note	31 December 2024	31 December 2023
Cash flow from operating activities:			
Profit after tax		60,860,497	46,379,146
Minimum tax	14(a)i	-	61,112
Income tax expenses	14(a)	698,051	607,113
Profit before tax		61,558,548	47,047,371
Adjustment for:			
Depreciation of property and equipment	20	105,545	94,116
Depreciation of right of use asset	21	31,006	21,897
Amortisation of intangible asset	22	10,382	16,721
Impairment loss on financial instruments	10	1,564,913	896,833
Exchange gain on investment securities	34(j)	(92,321,925)	(79,037,708)
Exchange loss on unsecured subordinated debts	34(j)	41,590,441	36,203,571
Write off of work in progress	20	798	-
Interest income	9(a)	(21,705,666)	(8,708,381)
Gain on sale of property, plant and equipment	34(i)	(21,441)	22
Interest expense	9(b)	6,364,272	2,863,054
		(2,823,127)	(602,505)
Changes in :			
Trade and other receivables	34(c)	(1,791,748)	(428,601)
Prepayments	34(l)	(99,258)	(189,283)
Guarantee fee receivable	34(d)	(95,467)	(2,153,431)
Financial guarantee liability	34(b)	(76,003)	2,982,946
Lease liability	34(n)	16,200	18,041
Employee benefit obligation	34(o)	371,439	679,192
Other liabilities	34(e)	(156,012)	632,110
		(1,830,849)	1,540,975
Interest received	34(b)	16,265,470	8,638,631
Interest paid	34(k)	(6,021,164)	(3,945,899)
Tax paid	14(c)	(510,459)	(64,488)
Net cash flow generated from operating activities		**5,079,872**	**5,566,714**
Cash flow from investing activities:			
Acquisition of property and equipment	20	(248,698)	(129,115)
Proceeds from disposal of property and equipment	34(i)	310	72
Acquisition of intangible asset	22	(6,003)	(83,374)
Redemption/(acquisition) of investment securities	34(a)	(3,900,894)	(6,684,784)
Net cashflows used in investing activities		**(4,155,285)**	**(6,897,200)**
Cash flow from financing activities:			
Proceed from issue of share capital	34(f)	9,039,689	2,717,754
Share premum arising from issue of shares	28(e)	9,672,467	-
Transaction cost on to issue of shares	28(e)	(20,604)	-
Preference dividend paid	34(g)	(12,049,335)	-
Ordinary dividend paid	34(g)	(372,924)	-
Proceeds from borrowings	34(k)	24,373,791	-
Payment of lease liabilities	34(n)	(231,000)	-
Net cashflows generated from financing activities		**30,412,084**	**2,717,754**
Increase in cash and cash equivalents		31,336,671	1,387,268
Cash and cash equivalents at beginning of the year	15	7,718,228	6,330,960
Cash and cash equivalents at the end of the year	15	**39,054,899**	**7,718,228**

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

Notes to the financial statements

1 Reporting entity

Infrastructure Credit Guarantee Company PLC ("the Company"), formerly known as Infrastructure Credit Guarantee Company Limited, changed its name on December 12, 2024 by a special resolution dated December 5 2024. The Company is a public company limited by shares, incorporated in Nigeria under the Companies and Allied Matters Act of Nigeria (CAMA). The Company was incorporated on 20 October 2016, and commenced operations in January 2017. The current address of its office is 1 Adeyemo Alakija Street, Victoria Island, Lagos.

The Company is primarily involved in the provision of credit enhancement and issuance of local currency credit guarantees for eligible infrastructure projects. The Company is also involved in investing its paid-in capital in corporate debt securities, FGN bonds and Eurobonds, and other highly rated short term debts issued by the Federal Government of Nigeria as may be approved by the Board of the Company from time to time.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020, and the Financial Reporting Council of Nigeria Act, 2023 (as amended). The financial statements were authorized for issue by the Board of Directors on 07 March 2025.

(b) Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency. All financial information presented in Nigerian Naira have been rounded to the nearest thousand, unless otherwise indicated.

(c) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial instruments that are measured at amortised cost. The Company applies accrual accounting for recognition of its income and expenses.

(d) Going concern assumption

The financial statements have been prepared on the basis that the Company will continue to operate as a going concern.

(e) Use of estimates and Judgements

The preparation of these financial statements is in conformity with the IFRS requirements. Management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts to assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgement

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

– Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition,

– Determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL. (see note 5(b)(ii)).

'ECL are measured as an allowance equal to 12 month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable information about the financial instrument and counterparty, including forward looking information.

Assumptions and Estimation

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

–Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 4(k)). Included in the recoverability review of deferred tax assets are assumptions about interest rates, exchange rates, inflation rate as well as the tax-exempt status of Bonds issued by the Federal Government of Nigeria.

3 Changes in accounting policies

Except as described below, the Company has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements

Standards issued but not yet effective

1-Jan-25	Amendments to IAS 21: Lack of Exchangeability. The amendments are not expected to have a material impact on the Company's financial statements.
	Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7. The amendments are not expected to have a material impact on the Company's financial statements.
1-Jan-26	Classification and Measurement of Financial Instruments. The amendments will impact on the classification of Financial assets with contingent features on the Company's financial statements.
	Annual Improvements to IFRS Accounting Standards- Voume 11. The amendments are not expected to have a material impact on the Company's financial statements.
1-Jan-27	IFRS 18 Presentation and Disclosure in Financial Statements. This Standard is not expected to have a material impact on the Company's financial statements.
	IFRS 19 Subsidiaries without Public Accountability: Disclosures. This Standard is not expected to have a material impact on the Company's financial statements.

4 Material accounting policies

The material accounting policies set out below have been consistently applied during the period presented in these financial statements, unless otherwise stated.

(a) Cash and cash equivalents

Cash and cash equivalents comprises deposits with banks and highly liquid financial assets with maturities of less than three months from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Notes to the financial statements

4 Material accounting policies - Continued

(b) Revenue recognition

Gross Revenue

(i) Guarantee fees income

This refers to the sum of guarantee fee income, monitoring fee income and due diligence fee income. Guarantee fee income is the amortized portion of the non-refundable fees calculated as a percentage of the guaranteed amount earned for providing guarantees to the bond issued by the client companies or loans disbursed to client companies.

'The Company recognises guarantee fees received and receivable as deferred revenue at the inception of the contract. Deferred revenue is subsequently recognised as earned revenue in profit or loss over the contractual period or expected period of the contract in proportion to the amount of the guarantee contract. As revenue is recognised, a corresponding decrease to deferred revenue is recorded. Other fee income is recognised as the related services are performed.

(ii) Interest income and expense

Interest income and expense 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.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs 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.

Guarantee fees and interest income are recognised net of VAT.

Guarantee fee expense

Guarantee fee expenses include expenses incurred by the Company in respect of the callable capital funding facility agreement with GuarantCo which now has been cancelled as at June 2024, and other directly attributable costs of issuing guarantees such as due diligence, re-guarantee fees, monitoring fees, and project development activities on guarantee transactions. The Company recognizes guarantee fee expenses in the profit or loss as they are incurred.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

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, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Interest income presented in the statement of profit or loss and other comprehensive income (OCI) includes interest on financial assets and financial liabilities measured at amortised cost using the effective interest rate (EIR) method. Other interest income presented in the statement of profit or loss and OCI includes interest income on balances with banks.

(c) Property and equipment

(i)Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment. 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. Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle.

Depreciation is calculated over their estimated useful lives at the following rates:

Office equipment	25%
Computer equipment	25%
Furniture and fittings	25%
Motor vehicles	25%
Leasehold improvement	10% (lower of 50 years and lease term of 10 years)

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(iv) De-recognition

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

Notes to the financial statements

4 Material accounting policies - Continued

(d) Intangible assets

Computer Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software is amortised on a straight-line basis in the profit or loss over the estimated useful life of the software, from the date that it is available for use. All intangible assets of the Company have finite useful life and are amortised over 4 years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate. Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition is included in profit or loss in the year the asset is derecognised.

(e) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax 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 cash generating unit (CGU) exceeds its recoverable amount.

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.

In respect of other assets, 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.

(f) Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(g) Employee benefits

Short-term employee benefits

(i) Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the reporting date. Short term obligations are measured on an undiscounted basis and are expensed as the related service is provided.. A liability is recognised for the amount expected to be paid if the Company 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.

(ii) The Company recently introduced a short-term incentive (STI) award which is a profit-based bonus scheme which replaced the erstwhile performance pay. Although STI is at the full discretion of the Board, the STI pool available is computed at up to 7.5% of profit before tax (PBT) after adjustment for unrealized net exchange differences subject to achieving agreed KPIs.

Post employment benefits

The Company operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio of 8% by the employee and 10% by the employer. The contributions of 10% by the Company is recognised in the profit or loss in the period to which they relate, while Employees' contributions are funded through payroll deductions.

Other long-term employee benefits

The Company's other long-term employee benefits represents a long term bonus scheme instituted for all permanent senior and Executive employees on Vice President – Managing Director levels with at least five (5) years of service and no pending disciplinary action. LTI is capped at 2.5% of profit before tax (PBT) after adjustment for unrealized net exchange gains subject to achieved some agreed KPIs. The deferral period is set at three (3) years, at the end of which, employees may cash out or choose to hold their award for longer. Provision of the plan are recognised within employee benefit obligation in liabilities and other staff costs in profit or loss. Pay-outs from the plan will be taxed according to the applicable tax laws in the Federal Republic of Nigeria. The carrying amount of the benefit based scheme is determined using a simplistic approach.

(h) Leases

At inception of a contract, the Company 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 Company uses the definition of a lease in IFRS 16.

As a lessee

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

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

Notes to the financial statements

4 Material accounting policies - Continued

(h) Leases - Continued

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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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.

Short-term leases and leases of low-value assets

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

As a lessor

This is not applicable as the Company is not a lessor with respect to lease of an asset.

(i) Provision

A provision is recognised if, as a result of a past event, the Company 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.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount can not be reliably estimated.

(k) Taxation

Current income tax

Income tax payable is calculated on the basis of the tax law in Nigeria and is recognised as an expense or (income) for the period except to the extent that current tax relates to items that are charged or credited directly to equity. 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.
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 period).

Deferred income tax

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

The principal temporary differences arise from depreciation of property and equipment. The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Financial instruments

Financial assets

(i) Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

The Company does not measure its financial assets at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). Subsequent to initial recognition and measurement, all financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The Company manages the assets held within the portfolio to collect contractual cash flows (instead of managing the overall return on the portfolio by holding and selling the assets or by trading on the assets). Although the objective of the Company's business model is to hold assets in order to collect contractual cash flows, it may sell the assets prior to their maturity in response to increase in the assets' credit risk. To determine whether there has been an increase in the assets' credit risk, the Company considers reasonable and supportable information including forward-looking information. Irrespective of their frequency and value, sales due to an increase in the assets' credit risk is not inconsistent with the Company's business model objective of holding the financial assets with a view to collecting contractual cash flows. Other instances where the Company may sell its financial assets and such sale would be considered consistent with the objective of holding the assets in order to collect contractual cash flows include sales made close to maturity of the assets and sales made with a view to providing liquidity in the event of any of its guarantees being called.

Notes to the financial statements

4 Material accounting policies - Continued

(l) Financial instruments - Continued

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

For the purpose 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 a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

Financial liabilities

(i) Classification and subsequent measurement

All financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

(i) Financial assets

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

If the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, in these cases, the transferred assets are not derecognised.

(ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. 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.

Offsetting

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

Impairment of financial assets

The Company recognises loss allowances for ECL on financial instruments that are not measured at FVTPL
such as:
- investment securities measured at amortized cost;
- trade receivables, and
- other financial assets.

Loss allowances are measured at an amount equal to life time expected credit losses (ECLs) or 12-month expected credit losses (ECLs) depending on whether the credit risk of the obligor has increased significantly or not.

Loss allowances are measured at 12 month ECLs:
- for assets which are determined to have low credit risk at the reporting date, and
- When assets have not increased significantly since initial recognition.

On the other hand, loss allowances are measured at life time ECLs if the credit risk associated with the assets has increased significantly since initial recognition.

12-month 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 instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments that are credit-impaired and for which a lifetime ECL is recognised are referred to as 'Stage 3 financial instruments .
A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or past due event;
– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
– it is becoming 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.

The Company guarantees long-term, local currency debt instruments with a minimum rating of "BBB-" by a recognized rating agency or the Company's Board-approved internal rating.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Notes to the financial statements

4 Material accounting policies - Continued

Financial guarantees contracts

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value and subsequently measured at the higher of:

- the amount of the impairment loss allowance on the guarantee, or
- the amount initially recognised less, when appropriate, the cumulative amount of fee income recognised on the guarantee.

Determination of ECLs for financial guarantees is based on the credit risk of the obligor that issues the infrastructure bond for which the Company provides a guarantee.

When determining whether the credit risk of the obligor has increased significantly since initial recognition of the financial guarantee and when estimating ECLs, 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 Company historical experience and informed credit assessment of the obligor and including forward-looking information.

The Company assumes that the credit risk of an obligor has increased significantly if the principal repayment, coupon on the infrastructure bond and/or the guarantee fee are more than 30 days past due except it is proven that the reason for the delay in contract payments are not credit risk related.

The Company considers an obligor to be in default when the principal repayment, coupon and/or guarantee fee are more than 90 days past due except it is proven that the reason for the default in contract payments are not credit risk related.

The Company carries out an independent valuation of the collaterals held in respect of financial guarantee contracts to customers. This is done by contracting an independent valuation expert(s) to determine the open market capital value of the collaterals. This valuation of the collaterals is to be carried out every three (3) years at most. The open market value of the assets is adopted by the company following the valuation.

Guarantee fee receivable

This represents the present value of guarantee fees receivable under the contracts undertaken for providing guarantees to the debt instrument issued by the client companies. This is recognized at the inception of the contract for the unpaid amount due after one year of issuing the guarantee with a corresponding credit to financial guarantee liability. Guarantee fee receivable is reduced yearly once guarantee payment is received from each of the portfolio companies.

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. The transaction is assumed to occur in the principal market, or in its absence, the most advantageous market accessible to the Company at that date. The fair value of a liability also reflects the entity's non-performance risk.

When available, the Company 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 Company uses valuation techniques that maximizes the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at 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 that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognized in the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, the Company measures the 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 are managed by the Company on the basis of the net exposure to either market or credit risk. The net exposure is measured on the basis of a price that would be received to see a net long position (or paid to transfer a net short position) for a particular exposure. Those portfolio-level adjustments 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.

The Company recognizes transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

(m) Share capital

(i) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(ii) Preference shares

Irredeemable preference shares are classified and accounted for as equity where the Company is not under any obligation to deliver cash or other financial assets. Payment of dividend is discretionary.

Redeemable preference shares are also classified and accounted for as equity because payment of dividend is discretionary and redemption of capital sum is at the sole option of the Company.

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements

5 Critical accounting judgements and key sources of estimation uncertainty - Continued

(a) Critical judgements in applying the Company’s accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in financial statements:
- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition; and
- Determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL. (see note 5(b)(ii)).

Significant increase in credit risk

ECL are measured as an allowance equal to 12 month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable information about the financial instrument and counterparty, including forward looking information.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 4(k)). Included in the recoverability review of deferred tax assets are assumptions about interest rates, exchange rates, inflation rate as well as the tax-exempt status of Bonds issued by the Federal Government of Nigeria.
- **Impairment of financial instruments**: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

(i) Income taxes
Significant estimates are required in determining the provision for income taxes. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Income taxes also include the judgement on whether to recognise deferred tax assets. This is based on the assessment of if and when future taxable profits will be realized to utilise the tax losses carried forward.

(ii) Depreciation and carrying value of property and equipment
The estimation of the useful lives of assets is based on management’s judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(iii) Calculation of loss allowance

When measuring ECL, the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

6 Financial risk management

(a) Introduction

This note presents information about the Company’s exposure to different types of risks, the objectives, systems, policies and processes for identifying, measuring and managing risks, and the Company’s management of capital.
The Company's activities expose it to a variety of risks, and those activities principally involve creation of financial assets and liabilities. Risk taking is the core of the company's business and operational risks amongst others are an inevitable consequence of being in the financial services industry.
The Company's aim is to achieve an appropriate balance between risk and return, and minimise potential adverse effects on the Company's financial performances. The Company has therefore built its business around sound risk management practices, so that as it actively seeks opportunities to create value for its clients and stakeholders, there is also a deliberate, concerted effort to preserve value.
The Company has adopted encompassing Risk Management & Guarantee Policies that consider risk from a comprehensive and integrated standpoint.

(b) Risk management objectives

The primary objective of risk management is to ensure efficient risk/return decision-making, reduce volatility in operating performance, improve operational efficiency as well as the quality of service delivery and ensure that the Company's risk profile is transparent to all stakeholders.

Risk Management practices at the Company centre around building a sustainable business where an acceptable risk profile is consistently maintained, given risk capacity and tolerance levels at the time.

Therefore, its approach is driven by the following key objectives:
Business sustainability: This represents resiliency over time. It involves the organisation’s ability to survive significant internal and external shocks.
Accountability: This represents the directors' obligations to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.
Risk/reward alignment: This is an optimization concept that seeks to achieve maximum possible return for each unit of risk taken.
Operational efficiency: This represents the Company's ability to deliver services in the most cost-effective manner possible while maintaining the highest feasible quality standards.

Notes to the financial statements

6 Financial risk management - Continued

(c) Risk management framework

The Company's risk management philosophy is premised on the belief that aggressive and yet guarded risk attitude will ensure sustainable growth in shareholders value and corporate reputation. To this end, the Board and Management are committed to establishing and sustaining tested practices in risk management. The Board of Directors determines the Company's goals in terms of risk by issuing a risk policy. The policy both defines acceptable levels of risk for day-to-day operations, as well as the willingness of the Company to incur risk, and to weigh against the expected rewards.

The risk policy is detailed in the Risk Management & Guarantee Policies. The policy document is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market, liquidity and operational risks.

The evolving nature of risk management practices necessitates regular review of the effectiveness of each enterprise risk management component. In the light of this, the Company's Risk Management & Guarantee Policies is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in either or both of the following ways:

(i) Continuous self evaluation and monitoring by the Risk Management Unit; and
(ii) Independent evaluation and reviews.

The Head, Credit Risk has the primary responsibility for risk management and for the review of the Risk Management & Guarantee Policies. All amendments to the Company's Risk Management & Guarantee Policies require the Board's approval. The unit also has the responsibility to enforce the risk policy of the Company by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

The different risk exposures faced by the Company are summarized into the broad risk categories below;

Risk type	Description	Loss characteristics
Market risk	The risk of loss due to unfavourable movements in the prices of assets.	This could result in loss of value to the Company's investment portfolio.
Credit risk	The risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Company.	This could result in impairment in the Company's credit assets and could invariably affect its short to long-run liquidity needs.
Liquidity risk	The risk that the Company will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption or could hinder normal operations of the Company.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as violent events like natural disaster, fire, flooding, terrorist actions.	This could result in significant business disruption or loss of financial resources of the Company.

(d) Valuation of financial instruments

The Company measures fair values for disclosure purposes using the following fair value hierarchy that reflects the nature and process used in making the measurements:

Level 1: Quoted market price (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 identical or 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: Valuation techniques based on significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

(e) Significant risks

(i) Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. In guaranteeing certain debts of its client companies, the Company also becomes indirectly exposed to the market risks of those companies.
The objective of market risk management is to control and bring market risk exposures within acceptable parameters to ensure the Company's solvency, while optimising the return on risk.

The Company's market risk management practice seeks to achieve an appropriate balance between risks and returns in its investment decisions thereby reducing volatility to its earnings. The Company has no trading financial instruments.

Interest rate risk:

Interest rate risk is the risk of loss in the fair value of investment positions due to unfavourable movements in interest rate spreads. The Company's exposure to interest rate risk is majorly from its financial assets such as money market placements, treasury bills, Eurobonds and financial liabilities such as the unsecured subordinated long term loan from KfW Bankengruppe and African Development Bank (AfDB).
The investment policy of the Company restricts its investment portfolio to 60% in highly rated/liquid securities with weighted average duration of 2 years and 40% in highly rated/liquid securities with weighted average duration of 5 years.

The table below summarizes the Company's interest rate gap position, analysed by the earlier contractual re-pricing or maturity date is as follows:

31 December 2024			Interest bearing instruments				Non-interest bearing instrument
In thousands of Naira	Note	Carrying amount	Less than 3 months	3 months - 6 months	6 months - 1 year	Over 1 year	
Assets							
Cash and cash equivalents	15	39,013,538	39,013,535	-	-	-	3
Investment securities	16	257,869,214	-	23,253,902	44,334,017	190,281,295	-
Guarantee fee receivable	17	8,770,252	498,240	400,884	869,865	7,001,263	-
Trade and other receivables	18	1,928,173	-	-	-	-	1,928,173
		307,581,177	39,511,775	23,654,786	45,203,882	197,282,558	1,928,176

Notes to the financial statements

6 Financial risk management - Continued

(i) Market risk - Continued

31 December 2024			**Interest bearing instruments**				**Non-interest bearing instrument**
In thousands of Naira	**Note**	**Carrying amount**	**Less than 3 months**	**3 months - 6 months**	**6 months - 1 year**	**Over 1 year**	
Liabilities							
Financial guarantee liability	23	10,289,597	-	-	-	-	10,289,597
Other liabilities	25	2,485,235	-	-	-	-	2,485,235
Lease liability	27	64,803	-	-	-	-	64,803
Unsecured subordinated long term loan	30	134,414,766	1,827,283	1,868,844	5,486,477	125,232,161	
		147,254,401	1,827,283	1,868,844	5,486,477	125,232,161	12,839,635
Total interest re-pricing gap		**160,326,776**	**37,684,492**	**21,785,942**	**39,717,405**	**72,050,397**	**(10,911,459)**

31 December 2023			**Interest bearing instruments**				**Non-interest bearing instrument**
In thousands of naira	**Note**	**Carrying amount**	**Less than 3 months**	**3 months - 6 months**	**6 months - 1 year**	**Over 1 year**	
Assets							
Cash and cash equivalents	15	7,702,488	7,702,485	-	-	-	3
Investment securities	16	157,281,654	12,203,061	14,608,697	19,057,205	111,412,691	-
Guarantee fee receivable	17	8,674,785	-	-	-	-	8,674,785
Trade and other receivables	18	602,664	-	-	-	-	602,664
		174,261,591	19,905,546	14,608,697	19,057,205	111,412,691	9,277,452
Liabilities							
Financial guarantee liability	23	10,365,600	-	-	-	-	10,365,600
Other liabilities	25	1,264,911	-	-	-	-	1,264,911
Lease liability	27	122,196	-	-	-	-	122,196
Unsecured subordinated long term loan	30	68,107,426	622,986	630,932	1,292,561	65,560,947	-
		79,860,133	622,986	630,932	1,292,561	65,560,947	11,752,707
Total interest re-pricing gap		**94,401,458**	**19,282,560**	**13,977,765**	**17,764,644**	**45,851,744**	**(2,475,255)**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various standard and non-standard interest rate scenarios. An analysis of the Company's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

In thousands of Naira	**31 December 2024**	**31 December 2023**
Profit or loss & equity		
Increase by 2%	3,424,765	1,937,534
Decrease by 2%	(3,424,765)	(1,937,534)

(ii) *Foreign Exchange rate risk*

Foreign exchange risk is the exposure of the Company's financial condition to fluctuations in exchange rates. Where the Company invests in financial instruments that are denominated in currencies other than its functional currency, it is exposed to foreign exchange risk. In this scenario, the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Company's financial assets and liabilities denominated in currencies other than Nigerian Naira. The Company's exposure to foreign exchange rate risk arises majorly from its USD denominated bank balance, money market placement, Eurobonds, due to related parties and other financial liabilities that are denominated in foreign currency.

The table below shows the Company's exposure to foreign exchange rate risk:

31 December 2024

In thousands of Naira	**Note**	**Naira**	**US Dollar**	**Total**
Assets				
Cash and cash equivalents	15	21,591,110	17,422,428	39,013,538
Investment securities	16	7,568,163	250,301,051	257,869,214
Guarantee fee receivable	17	8,770,252	-	8,770,252
Trade and other receivables	18	1,928,173	-	1,928,173
		39,857,698	267,723,479	307,581,177

In thousands of Naira	**Note**	**Naira**	**US Dollar**	**Total**
Liabilities				
Financial guarantee liability	23	10,289,597	-	10,289,597
Unsecured subordinated long term loan	30	-	134,414,766	134,414,766
Lease liability	27	64,803	-	64,803
Other liabilities	25	2,122,152	363,083	2,485,235
		12,476,552	134,777,849	147,254,401
Net financial assets		**27,381,146**	**132,945,630**	**160,326,776**

Notes to the financial statements

6 Financial risk management - Continued

(ii) *Foreign Exchange rate risk - Continued*

31 December 2023

In thousands of Naira		**Naira**	**US Dollar**	**Total**
Assets				
Cash and cash equivalents	15	6,536,368	1,166,120	7,702,488
Investment securities	16	4,820,376	152,461,278	157,281,654
Guarantee fee receivable	17	8,674,785	-	8,674,785
Trade and other receivables	18	602,664	-	602,664
		20,634,192	153,627,398	174,261,591
Liabilities				
Financial guarantee liability	23	10,365,600	-	10,365,600
Unsecured subordinated long term loan	30	-	68,107,426	68,107,426
Lease liability	27	122,196	-	122,196
Other liabilities	25	927,792	337,119	1,264,911
		11,415,588	68,444,545	79,860,133
Net financial assets		**9,218,604**	**85,182,853**	**94,401,457**

Foreign currency sensitivity analysis

The following table details the Company’s sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

In thousands of Naira	**Exchange rate**	**31 December 2024**	**Exchange rate**	**31 December 2023**
10% increase	1,549.00	13,294,563	951.79	8,518,285
10% decrease	1,549.00	(13,294,563)	951.79	(8,518,285)

(iii) Credit risk

Credit risk is the risk of loss arising from claims on guarantees provided by the Company as a result of default by obligors and also the risk of loss arising from counterparty’s inability or unwillingness to fulfil contractual obligations to the Company. Other key areas where the Company is exposed to credit risk are:

- **Cash and cash equivalents:** The risk of these exposures are tied to the financial health of the Company's banking counterparties.
- **Investment securities:** The risk of this exposure is also tied to the financial health of the counterparty or financial institution.
- **Other assets:** These exposures represent receivables due from clients and related parties.
- **Guarantee fee receivables:** These exposures represent guarantee fees due from the financial guarantee contract.

Management of credit risk

The Company has instituted a set of credit and investment policies governing underwriting and investment criteria and a robust credit evaluation and approval process in its bid to mitigate credit risk. The following principles form the basis of the Company's credit risk management with respect to its guarantee contracts:
- appropriate risk diversification within its eligible transactions;
- thorough risk assessment at the credit appraisal stage of the guarantee process;
- risk-based pricing and risk mitigation strategies;
- continuous risk monitoring at the individual counterparty level as well as the portfolio level; and
- avoidance of undesirable risks to the extent possible.

The Credit Guarantee Policy of the Company also details the use of other approved credit mitigant facilities such as reinsurance from highly rated counterparties, refinancing creditworthy brownfield eligible infrastructure related assets, co-guaranteeing transactions with other entities, partial guarantees, tranching of debt issuances and guaranteeing the senior debt tranche, non-acceleration of guarantee obligations, guaranteeing long term amortising debt and avoiding 'bullet maturities' and ensuring adequate cover on the nature and type of security package.
The Board of Directors has the overall responsibility for all aspects of Risk Management within the Company.

The table below shows the exposure of credit risk based on financial assets held by the Company

In thousand of Naira	***Note***	**31 December 2024**	**31 December 2023**
Cash and cash equivalents	15	39,013,538	7,702,488
Investment securities	16	257,869,214	157,281,654
Guarantee fee receivable	17	8,770,252	8,674,785
Trade and other receivables	18	1,928,173	602,664
Total exposure to credit risk		**307,581,177**	**174,261,591**

With respect to proprietary management of investment portfolio, the Company only transacts with financial institutions and other counterparties that are rated the equivalent of investment grade. Where the counterparties have minimum of investment grade rating, they are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Furthermore, the Company reviews the recoverable amount of each trade receivable on an individual basis at the end of the reporting year to ensure that adequate loss allowance is made in line with IFRS 9. In this regard, the directors of the Company consider that the Company’s credit risk with respect to trade receivables is significantly reduced. Trade receivables consist of receivables for upfront fees, mandate/structuring fees on proposed guarantee of infrastructure debt facilities, from clients in respect of due diligence on proposed guarantee of infrastructure bonds.

The credit risk on liquid funds is grossly immaterial because the counterparties are banks with high credit-ratings, assigned by reputable credit-rating agencies. Thus, no loss allowance was recognized on cash and bank balances at the end of the reporting year.
As noted above, the Company is exposed to credit risk in relation to financial guarantees given to customers which are companies engaged in infrastructure development. The Company’s maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantees are called on. As at 31 December 2024, there was nil expected credit losses (2023: nil).

Notes to the financial statements

6 Financial risk management - Continued

Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial guarantee contracts. Below shows the nature and value of collaterals held as securities for the guarantee contracts issued as at 31 December 2024.

Viathan Funding Ltd

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	19,570,800	14,646,326
Reserve account (Bank balance)	5,957	4,340
Total value of the collateral held	**19,576,757**	**14,650,666**
Outstanding value of the guarantee at the end of the year	(6,984,361)	(7,482,421)
Excess of collateral over outstanding value of the guarantee	**12,592,396**	**7,168,245**

Other than the reserve account and bank balances; the valuation for Viathan's assets was undertaken by Jide Taiwo & Co.((FRC/2012/0000000000254)). This valuation falls in category 3 of the fair value hierarchy.

North South Power (NSP)

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	62,800,000	72,750,000
Reserve account (Bank balance)	2,168,720	2,111,689
Total value of the collateral held	**64,968,720**	**74,861,689**
Outstanding value of the guarantee at the end of the year	(7,787,732)	(8,378,507)
Excess of collateral over outstanding value of the guarantee	**57,180,988**	**66,483,182**

Other than the reserve account and bank balances; the valuation for NSP's assets was undertaken by Deloitte & Touche (Tope Odukoya- FRC/2012/ICAN/00000000422). This valuation falls in category 3 of the fair value hierarchy.

GEL Utility

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	20,059,500	20,059,500
Reserve account (Bank balance)	2,812,646	2,559,438
Total value of the collateral held	**22,872,146**	**22,618,938**
Outstanding value of the guarantee at the end of the year	(11,740,758)	(12,223,071)
Excess of collateral over outstanding value of the guarantee	**11,131,388**	**10,395,867**

Other than the reserve account and bank balances; the valuation for GEL Utility's assets was undertaken by Jide Taiwo & Co. (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

Transport Service Limited (TSL)

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	56,070,912	32,304,141
Reserve account (Bank balance)	1,937	242,136
Total value of the collateral held	**56,072,849**	**32,546,277**
Outstanding value of the guarantee at the end of the year	(14,000,000)	(15,500,000)
Excess of collateral over outstanding value of the guarantee	**42,072,849**	**17,046,277**

Other than the reserve account and bank balances; the valuation for TSL's assets was undertaken by Ubosi Eleh + Company (FRC/2014/NIESV/00000001493). This valuation falls in category 3 of the fair value hierarchy.

Lagos Free Zone Company (LFZC)

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	333,270,000	333,270,000
Reserve account (Bank balance)	-	-
Total value of the collateral held	**333,270,000**	**333,270,000**
Outstanding value of the guarantee at the end of the year	(53,000,000)	(53,000,000)
Excess of collateral over outstanding value of the guarantee	**280,270,000**	**280,270,000**

Other than the reserve account and bank balances; the valuation for LFZC's assets was undertaken by Knight Frank (FRC/2013/0000000000584). The valuation report was signed by Sunny Akpodiogaga. This valuation falls in category 3 of the fair value hierarchy.

GPC Energy & Logistics Limited

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	41,070,212	41,070,212
Reserve account (Bank balance)	719,744	651,523
Total value of the collateral held	**41,789,955**	**41,721,734**
Outstanding value of the guarantee at the end of the year	(18,456,306)	(20,000,000)
Excess of collateral over outstanding value of the guarantee	**23,333,649**	**21,721,734**

Other than the reserve account and bank balances; the valuation for GPC's assets was undertaken by Pat Obianwu & Co (FRC/2014/NIESV/00000007136) signed by ESV. Patrick Obianwu. This valuation falls in category 3 of the fair value hierarchy.

Collateral held as security and other credit enhancements - Continued

Asiko Power Limited

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	9,769,773	2,625,955
Reserve account (Bank balance)	410,425	109,999
Total value of the collateral held	**10,180,198**	**2,735,954**
Outstanding value of the guarantee at the end of the year	(13,162,017)	(1,417,859)
Excess of collateral over outstanding value of the guarantee	**(2,981,819)**	**1,318,095**

Other than the reserve account and bank balances; the valuation for Asiko's assets was undertaken by Jude Okokor & Co (FRC/2014/NIESV/00000006456). This valuation falls in category 3 of the fair value hierarchy.

Notes to the financial statements

6 Financial risk management - Continued

PAN African Towers Limited

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	36,438,500	29,007,500
Reserve account (Bank balance)	1,266,302	473,629
Total value of the collateral held	**37,704,802**	**29,481,129**
Outstanding value of the guarantee at the end of the year	(9,630,075)	(10,000,000)
Excess of collateral over outstanding value of the guarantee	**28,074,727**	**19,481,129**

Other than the reserve account and bank balances; the valuation for PAT's assets was undertaken by JideTaiwo & Co (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

DARWAY COAST

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	2,573,600	1,600,000
Reserve account (Bank balance)	1,797,912	1,645,071
Total value of the collateral held	**4,371,512**	**3,245,071**
Outstanding value of the guarantee at the end of the year	(800,000)	(800,000)
Excess of collateral over outstanding value of the guarantee	**3,571,512**	**2,445,071**

Other than the reserve account and bank balances; the facility size has been taken as the collateral size.

GLNG

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	16,478,014	7,727,430
Reserve account (Bank balance)	1,137,009	488,581
Total value of the collateral held	**17,615,023**	**8,216,011**
Outstanding value of the guarantee at the end of the year	(14,757,025)	(5,828,375)
Excess of collateral over outstanding value of the guarantee	**2,857,998**	**2,387,636**

Other than the reserve account and bank balances; the valuation for GLNG's assets was undertaken and signed by Biodun Odeleye & co. This valuation falls in category 3 of the fair value hierarchy.

Abuja Steel Mill Limited

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	31,354,425	31,353,425
Reserve account (Bank balance)	164,400	128,831
Total value of the collateral held	**31,518,825**	**31,482,256**
Outstanding value of the guarantee at the end of the year	(10,000,000)	(10,000,000)
Excess of collateral over outstanding value of the guarantee	**21,518,825**	**21,482,256**

Other than the reserve account and bank balances; the valuation for Abuja Steel Mill limited assets was undertaken and signed by Osas and Oseji (FRC/2012/0000000000522). This valuation falls in category 3 of the fair value hierarchy.

Mecure Industries

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	40,471,999	12,374,871
Reserve account (Bank balance)	308,241	-
Total value of the collateral held	**40,780,240**	**12,374,871**
Outstanding value of the guarantee at the end of the year	(10,000,000)	(6,500,000)
Excess of collateral over outstanding value of the guarantee	**30,780,240**	**5,874,871**

Other than the reserve account and bank balances; the valuation for Mecure Industries assets was undertaken and signed by Adefila & Partners. This valuation falls in category 3 of the fair value hierarchy.

Coleman Technical Industries

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	111,860,862	111,860,862
Reserve account (Bank balance)	-	-
Total value of the collateral held	**111,860,862**	**111,860,862**
Outstanding value of the guarantee at the end of the year	(9,166,667)	(10,000,000)
Excess of collateral over outstanding value of the guarantee	**102,694,196**	**101,860,862**

Other than the reserve account and bank balances; the valuation for Coleman assets was undertaken and signed by Idowu Shada & Co. This valuation falls in category 3 of the fair value hierarchy

Victoria Island Power

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	26,000,000	28,492,936
Reserve account (Bank balance)	-	-
Total value of the collateral held	**26,000,000**	**28,492,936**
Outstanding value of the guarantee at the end of the year	(26,000,000)	(16,000,000)
Excess of collateral over outstanding value of the guarantee	**-**	**12,492,936**

Modern Shelter

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	15,959,700	3,000,000
Reserve account (Bank balance)	142,449	-
Total value of the collateral held	**16,102,149**	**3,000,000**
Outstanding value of the guarantee at the end of the year	(5,125,000)	(3,000,000)
Excess of collateral over outstanding value of the guarantee	**10,977,149**	**-**

Other than the reserve account and bank balances; the valuation for Modern shelter's assets was undertaken by Jide Taiwo & Co. (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

Notes to the financial statements

6 Financial risk management - Continued

Prado Power

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	1,950,000	-
Reserve account (Bank balance)	138,364	-
Total value of the collateral held	**2,088,364**	**-**
Outstanding value of the guarantee at the end of the year	(1,950,000)	-
Excess of collateral over outstanding value of the guarantee	**138,364**	**-**

Falcon

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	5,000,000	3,000,000
Reserve account (Bank balance)	276,966	150,000
Total value of the collateral held	**5,276,966**	**3,150,000**
Outstanding value of the guarantee at the end of the year	(5,000,000)	(3,000,000)
Excess of collateral over outstanding value of the guarantee	**276,966**	**150,000**

Hotspot

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	955,000	1,910,000
Reserve account (Bank balance)	117,999	126,791
Total value of the collateral held	**1,072,999**	**2,036,791**
Outstanding value of the guarantee at the end of the year	(955,000)	(955,000)
Excess of collateral over outstanding value of the guarantee	**117,999**	**1,081,791**

ACOB

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	755,000	755,000
Reserve account (Bank balance)	55,462	-
Total value of the collateral held	**810,462**	**755,000**
Outstanding value of the guarantee at the end of the year	(755,000)	(755,000)
Excess of collateral over outstanding value of the guarantee	**55,462**	**-**

Ladol Integrated Logistics Free Zone Enterprise

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	2,137,310	-
Reserve account (Bank balance)	-	-
Total value of the collateral held	**2,137,310**	**-**
Outstanding value of the guarantee at the end of the year	(1,268,750)	-
Excess of collateral over outstanding value of the guarantee	**868,560**	**-**

In respect of the nature and value of collaterals held as securities for the respective guarantee contracts issued as at 31 December 2024 detailed above:

There was no change in the Company's collateral policy during the year.

Overview of the Company's exposure to credit risk

As at 31 December 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from:

– the carrying amount of the respective recognised financial assets as stated in the statement of financial position; and
– the financial guarantee disclosed in the notes below.

In order to minimise credit risk, the Company has tasked its Board and Management Credit Committees to develop and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by reputable independent rating agencies where available and, if not available, the Credit Committees use other publicly available financial information and the Company's own records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Internal credit rating	Description	Basis for recognising expected credit losses (ECLs)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL.
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired.
Default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off.

The tables below detail the credit quality of the Company's financial assets and financial guarantee contracts (off-balance sheet) as well as the Company's maximum exposure to credit risk by credit risk rating grades. Current credit ratings were assigned by Agusto & Co., GCR, Fitch and S&P.

31 December 2024	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	15	AAA - BB+ *	Performing	12-month ECL	39,054,899	(41,361)	39,013,538
Investment securities	16	A1 - AAA*	Performing	12-month ECL	260,312,600	(2,443,386)	257,869,214
Guarantee fee receivables	17	A - BBB+ *	Performing	12-month ECL	8,770,252	-	8,770,252
Trade and other receivables	18	A - BBB+ *	Performing	Lifetime ECL	2,620,822	(692,649)	1,928,173
Total exposure to credit risk					**310,758,573**	**(3,177,396)**	**307,581,177**

Notes to the financial statements

6 Financial risk management - Continued

31 December 2023	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	15	AAA - BB+ *	Performing	12-month ECL	7,718,228	(15,740)	7,702,488
Investment securities	16	A1 - AAA*	Performing	12-month ECL	158,649,585	(1,367,931)	157,281,654
Guarantee fee receivables	17	A - BBB+ *	Performing	12-month ECL	8,674,785	-	8,674,785
Trade and other receivables	18	A - BBB+ *	Performing	Lifetime ECL	831,476	(228,812)	602,664
Total					**175,874,074**	**(1,612,483)**	**174,261,591**

**Assigned by Fitch, Agusto and GCR*

Incorporation of forward-looking information

The Company uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Company uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Company applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome. The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Company has not made changes in the estimation techniques or significant assumptions made during the reporting year.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2024 for the years 2025 to 2026

	2025	2026
Crude oil price (USD)	75.57	74.50
Prime Lending rate (%)	29.30%	26.75%

Source: Fitch Solutions

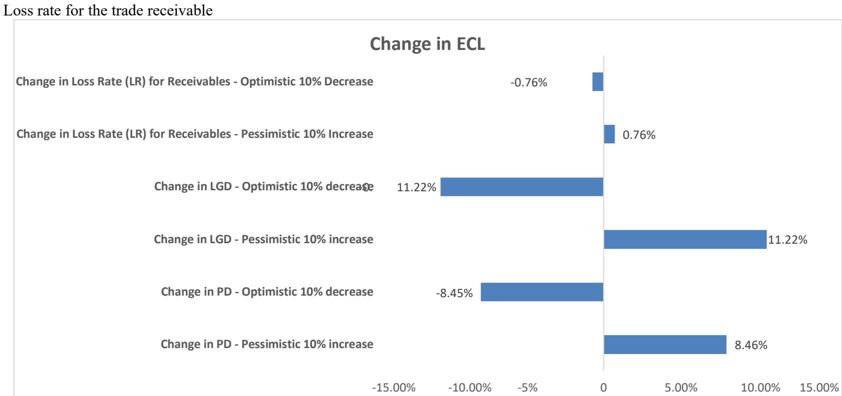
Below is the disclosure of scenario probability weightings applied in measuring ECL for both 2024 and 2023

	Probability of Default	
Scenarios	**2024**	**2023**
Best Case	33.33%	41.04%
Base Case	27.50%	28.36%
Worst Case	29.17%	30.60%

SENSITIVITY ANALYSIS

The sensitivity analysis assesses the ECL sensitivity to changes in key assumptions used in the computations. The ECL is recalculated per assumption change, and each recalculated ECL is then compared to the base run to quantify the impact of the assumption change.

In carrying out the sensitivity analysis, we adjusted the following parameters:
Probability of Default (PD) for the current accounts and investment securities
2 Loss Given Default (LGD) for the current accounts and investment securities
Loss rate for the trade receivable



Sensitivity Analysis on ECL Parameters
The above results show that the ECL estimation is sensitive to changes in the LGD and PD. As a result, we shall continue to review and back test the adequacy of this assumption as used in the ECL computation on a continuous basis to ensure the ECL estimate continues to provide a true and fair view of the Company's position.

Measurement of expected credit losses (ECLs)
The key inputs used for measuring ECL are probability of default (PD), loss given default (LGD), and exposure at default (EAD).

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on external rating model, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures . The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the instrument.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Company measures ECL considering the risk of default over the maximum contractual year (including extension options) over which the entity is exposed to credit risk and not a longer year, even if contact extension or renewal is common business practice.

Notes to the financial statements

6 Financial risk management - Continued

Concentration of credit risk

Most of the financial assets which are exposed to credit risks are from transactions with counterparty companies in the banking industry in Nigeria and public sector (Federal Government of Nigeria). The credit risk that the Company is exposed to as a result of the financial assets is considered low as the counterparties have consistently been rated above average by reputable credit rating agencies such as Fitch, Agusto, GCR and S&P. These counterparties include Federal Government of Nigeria, Stanbic Bank, Access Bank, Ecobank, United Bank for Africa, Guaranty Trust Bank, and Standard Chartered Bank. As at the reporting date, none of these financial assets have shown objective evidence of impairment.

Concentration by Sector

			Cash Equivalents		Investment Securities	
In thousands of Naira	***Rating***	***Location***	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Financial Institutions						
Stanbic IBTC Bank PLC	AAA***	Nigeria	16,602,034	437,206	23,251,182	-
Access Bank Plc	AA*	Nigeria	22,194,348	6,323,704	3,321,416	-
United Bank for Africa Plc	AA- *	Nigeria	663	402	-	-
Ecobank Nigeria Limited	BB**	Nigeria	1,368	1,035	-	27,297,055
Guaranty Trust Bank	B-***	Nigeria	145,244	220,402	-	-
Standard Chartered Bank	A+ ***	Nigeria	69,881	719,739	-	-
			39,013,538	**7,702,488**	**26,572,598**	**27,297,055**
Sovereign/ Government						
Federal Government of Nigeria	B- ***	Nigeria	-	-	231,296,616	129,984,599
Total			**39,013,538**	**7,702,488**	**257,869,214**	**157,281,654**

Concentration by product

In thousands of Naira	**31 December 2024**	**31 December 2023**
Bank balances	7,155,553	2,524,151
Placement with banks	31,857,982	5,178,337
Eurobonds	250,305,346	152,467,691
Treasury bills	3,321,416	0
FGN bonds	4,242,452	4,813,963
Total	**296,882,749**	**164,984,142**

Concentration by region

In thousands of Naira	**31 December 2024**	**31 December 2023**
Nigeria	296,882,749	164,984,142
Total	**296,882,749**	**164,984,142**

Guarantee fee receivables at amortised cost
Concentration by sector

In thousands of Naira	***Internal Rating***	***External Rating***	***Location***	**31 December 2024**	**31 December 2023**
Power Sector					
Viathan Funding Plc	BB+		Nigeria	55,397	117,305
North South Power Company Limited	A-	AA**	Nigeria	246,352	325,953
GEL Utility Limited	BBB	BBB+*/BBB**	Nigeria	413,026	534,812
Asiko Energy Holding Limited	BBB+		Nigeria	37,634	60,800
Victoria Island Power	BBB		Nigeria	459,701	751,401
				1,212,110	**1,790,271**
Transport sector					
TSL	BB+		Nigeria	284,939	426,322
GPC	BBB+		Nigeria	484,738	676,605
				769,676	**1,102,927**
ICT Telecommunications					
PAN African Towers Limited	BBB-	BBB**	Nigeria	559,253	754,176
Hotspot Network Limited	BBB-		Nigeria	59,130	84,043
				618,383	**838,219**
Gas-to-Power					
GLNG	BBB		Nigeria	493,393	423,305
				493,393	**423,305**
Gas-to-Clean Cooking					
Gas Terminalling Ltd	BBB+		Nigeria	105,653	169,290
Falcon Incorporation Limited	BBB		Nigeria	235,698	183,013
				341,351	**352,303**
Social Infra (Health sector)					
Me Cure Industries Plc III	BBB+	BBB+ **	Nigeria	621,427	-
				621,427	**-**
Social Infra (Green Housing)					
Modern Shelter Systems	BBB		Nigeria	156,266	116,362
				156,266	**116,362**
Logistics					
LFZC	A-	BBB*	Nigeria	3,628,100	2,899,924
Ladol	BBB		Nigeria	-	-
				3,628,100	**2,899,924**
Manufacturing					
Coleman Technical Industries Limited	A-	A-*/BBB **	Nigeria	257,161	411,233
Abuja Steel Mill	A-		Nigeria	440,847	624,333
				698,007	**1,035,565**
Renewable Energy					
Darway	BBB		Nigeria	32,242	50,709
ACOB Lighting Tecnology Ltd	BBB-		Nigeria	45,672	65,198
Prado Power			Nigeria	153,643	-
				231,557	**115,907**
Total				**8,770,270**	**8,674,784**

* Assigned by Agusto
** Assigned by GCR
*** Assigned by Fitch

Concentration by region

In thousands of Naira	**31 December 2024**	**31 December 2023**
Nigeria	8,770,270	8,674,784
	8,770,270	**8,674,784**

Notes to the financial statements

6 Financial risk management - Continued

Financial guarantee contracts (off balance sheet)

In thousands of Naira	31 December 2024	31 December 2023
Viathan Funding Ltd	5,222,785	6,492,373
North South Power	7,218,191	7,536,150
GEL Utility	11,740,758	12,223,071
Transport Services Ltd (TSL)	9,000,000	10,500,000
North South Power II	569,541	842,357
Viathan Funding Ltd II	761,576	990,048
Lagos Free Zone Company	10,500,000	10,500,000
GPC Energy and Logistics	18,456,306	20,000,000
LFZC II Funding SPV Plc	25,000,000	25,000,000
PAN African Towers Limited	9,630,075	10,000,000
Asiko Power Limited	1,220,350	1,417,859
Gas Terminalling Ltd	3,441,667	3,500,000
Darway	800,000	800,000
GLNG	650,000	650,000
Transport Services Ltd (TSL) II	5,000,000	5,000,000
GLNG	5,000,000	5,000,000
Falcon Incorporation Limited	3,000,000	3,000,000
LFZC III Funding SPV Plc	17,500,000	17,500,000
Victoria Island Power	9,200,000	9,200,000
Hotspot Network Limited	955,000	955,000
GLNG III	107,025	178,375
Coleman Technical Industries Limited	9,166,667	10,000,000
Abuja Steel Mill	10,000,000	10,000,000
Victoria Island Power II	3,800,000	3,800,000
Me Cure Industries Plc III	5,000,000	4,000,000
Me Cure Industries Plc IV	5,000,000	2,500,000
Modern Shelter Systems	2,625,000	3,000,000
Victoria Island Power III	3,000,000	3,000,000
ACOB Lighting Tecnology Ltd	755,000	755,000
Gas Terminalling II	8,500,000	8,500,000
GLNG IV	4,000,000	-
GNLG V	5,000,000	-
Modern Shelter II	2,500,000	-
Prado Power	1,950,000	-
Falcon Incorporation Limited II	2,000,000	-
Victoria Island Power IV	10,000,000	-
Ladol	1,268,750	-
Viathan Funding Ltd III	1,000,000	-
	220,538,691	**196,840,233**

On December 30, 2024, Asiko Power Limited issued an N8 billion capital market bond, guaranteed by Infracredit. The bond proceeds were intended to refinance the N8.5 billion Gas Terminaling 2 bridge facility. However, as of December 31, 2024, Asiko Power Limited had not yet received the bond proceeds. Consequently, the transaction was not recognized as finalized in the financial statements, but this disclosure was made to reflect the status.

Loss allowance by financial instrument

In thousands of Naira	Note	31 December 2024	31 December 2023
Cash and cash equivalent	15	41,361	15,740
Investment securities at amortised cost	16	2,443,386	1,367,931
Trade and other receivables	18	692,649	228,812
		3,177,396	**1,612,482**

Analysis of movement in loss allowance

The tables below analyse the movement of the loss allowance during the year per class of assets.

In thousands of Naira	Trade and other receivables 12-month ECL	Guarantee fee receivable 12-month ECL	Cash Equivalents 12-month ECL	Investment Securities 12-month ECL	Total
As at 1 January 2023	142,713	-	11,270	561,667	715,650
New financial assets originated or purchased	228,812	-	15,739	1,367,932	1,612,483
Financial assets that have been derecognised	(142,713)	-	(11,270)	(561,667)	(715,650)
Impairment loss for the year (see note 10)	**86,099**	**-**	**4,469**	**806,265**	**896,833**
As at 31 December 2023	**228,812**	**-**	**15,740**	**1,367,931**	**1,612,483**
New financial assets originated or purchased	692,649	-	41,361	2,443,386	3,177,396
Financial assets that have been derecognised	(228,812)	-	(15,740)	(1,367,931)	(1,612,483)
Impairment loss for the year (see note 10)	**463,837**	**-**	**25,621**	**1,075,455**	**1,564,913**
As at 31 December 2024	**692,649**	**-**	**41,361**	**2,443,386**	**3,177,396**

(i) For financial guarantee contract, the gross carrying amount represents the maximum amount the Company has guaranteed under the contract. No impairment allowance was recognised in the profit or loss (2023: Nil).

(ii) For trade receivables, the Company has estimated impairment based loss rates, days past due and applying experienced credit judgement. The estimation resulted in an impairment loss of N462 million (2023: N86 million) which has been recognised in profit or loss.

(iii) The loss allowance of N1.075 billion (2023: N806.3 million) on investment securities measured at amortised cost is determined based on the credit ratings of the institutions in which the securities are held and is recognised in profit or loss.

(iv) The loss allowance of N25.6 million (2023: N4.47 million) on cash and cash equivalents is determined based on the credit ratings of the institutions in which the cash are held and is recognised in profit or loss.

Notes to the financial statements

6 Financial risk management - Continued

(iv) Liquidity risk

Liquidity risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow without affecting either its daily operations or its financial condition.
The key objectives for the Company's liquidity risk management are to ensure that the liquidity position is strong enough to enable the Company carry out its core activities for a defined year of time under stressed market conditions without access to new funding, secure the highest possible credit rating by rating agencies and to fulfil the ratio requirements as specified in the capital requirements of the contingent capital facility where applicable.

Management of liquidity risk

The Company's Risk Management Framework is designed to ensure that the Company would always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring prohibitive finance costs.

In the management of its liquidity risk position, the Company employs the following:
• Conducting the liquidity stress tests of the Company's guarantee portfolio quarterly to ensure that the sufficient liquidity can be raised by the Company to service contingent guarantee claims. The outcome of the stress test is reported to and approved by the Board of Directors.
• Maintaining a contingency funding plan.

Residual contractual maturities of financial assets
The table below analyses the Company's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining year at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows at maturity date.

31 December 2024

In thousands of naira	Note	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash equivalents	15	39,013,538	39,054,899	39,054,899	-	-	-
Investment securities	16	257,869,214	279,460,151	5,212,045	23,932,510	48,542,161	201,773,436
Guarantee fee receivable	17	8,770,252	8,770,252	498,240	400,884	869,865	7,001,263
Trade and other receivables	18	1,928,173	2,620,822	2,620,822	-	-	-
		307,581,177	329,906,124	47,386,006	24,333,394	49,412,025	208,774,699
Financial guarantee liability	23	10,289,597	10,289,597	674,174	769,739	1,511,048	7,334,635
Other liabilities	25	2,485,235	2,485,235	2,485,235	-	-	-
Lease liability	27	64,803	64,803	-	-	33,333	31,470
Unsecured subordinated long term loan	30	134,414,766	158,300,078	987,051	-	8,092,332	149,220,695
Gap (assets-liabilities)		160,326,776	158,766,412	43,239,546	23,563,655	39,775,312	52,187,899
Cumulative liquidity gap				**43,239,546**	**66,803,201**	**106,578,513**	**158,766,412**

31 December 2023

In thousands of naira	Note	Carrying amount	Gross nominal	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash and cash equivalents	15	7,702,488	7,718,228	7,718,228	-	-	-
Investment securities	16	157,281,654	165,776,854	2,411,911	13,458,494	18,435,268	131,471,180
Guarantee fee receivable	17	8,674,785	8,674,785	420,978	303,996	842,973	7,106,838
Trade and other receivables	18	602,664	831,476	831,476	-	-	-
		174,261,591	183,001,343	11,382,593	13,762,490	19,278,241	138,578,018
Financial guarantee liability	23	7,382,654	10,365,600	674,284	734,326	1,406,045	7,550,944
Other liabilities	25	1,264,911	1,264,911	1,264,911	-	-	-
Lease liability	27	104,155	122,196	-	-	33,333	88,863
Unsecured subordinated long term loan	30	68,107,426	78,301,948	197,896	-	194,670	77,909,382
Gap (assets-liabilities)		97,402,445	92,946,687	9,245,501	13,028,164	17,644,193	53,028,829
Cumulative liquidity gap				**9,245,501**	**22,273,665**	**39,917,858**	**92,946,688**

(v) Operational risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as violent events like natural disaster, fire, flooding, terrorist actions, etc. This definition includes legal risk but excludes strategic and reputational risk.

The Company's Operational Risk Management (ORM) Policy provides a firm-wide definition of Operational Risk and codifies the core governing principles for Operational Risk Management. The Policy outlines the crucial elements of an ORM framework which include:

- Clear strategies and oversight by the Board of Directors and Senior Management.
- a strong operational risk and internal control culture (including, among other things, the set of individual and corporate values, attitudes, competencies and behaviour that determine a firm's commitment to and style of operational risk management) and effective internal reporting.
- commitment to effective corporate governance, including, among others, segregation of duties, avoidance of conflicts of interest, clear lines of management responsibility, accountability and reporting, as reflected in the Company's corporate governance documents. All levels of staff must understand their responsibilities with respect to operational risk management.
- foundational structures which are relied upon to minimize and effectively respond to operational risk, with emphasis on Strategies, People, Processes, Systems and Controls.
- effective monitoring and internal reporting, and high standards of ethics and integrity; and
- contingency and business continuity plans.

ORM framework provides the foundations and a common infrastructure for delivering, maintaining and governing operational risk management.

The objective of ORM policy at InfraCredit is to establish and maintain a sound ORM program to where possible prevent, and where not possible, mitigate, identify, measure, assess, monitor, overcome and report on operational risk by:

- providing an organization-wide definition of operational risk,
- defining InfraCredit's risk appetite, strategy and policies in regard to operational risk,
- establishing the Operational Risk governance structure, and the roles and responsibilities of personnel and committees,
- defining relevant operational risk processes, including identification, assessment and/or measurement, monitoring, control/mitigation and reporting; and
- defining the tools used to guard against operational risk, such as: data collection, Risk & Control Self- Assessments (RCSAs), cultivating a process-driven work environment, training, technology, tracking key risk indicators and Business Continuity Management.

Notes to the financial statements

6 Financial risk management - Continued

(v) Operational risk - continued

The management of operational risk in InfraCredit is undertaken at three distinct levels, each with clearly defined roles and responsibilities as follows:

- the first line of defence is the responsibility of each business unit to develop processes and identify, measure, monitor and manage risks in their respective business units,
- the second line of defence includes the principal stewards of the Credit Risk, Market Risk and Operational Risk Policies, Compliance & Internal Control, the Asset Liability Committee (ALCO) and the Management Risk Oversight Committee (MROC), which have heightened responsibility to monitor and report on key risk areas of the business.
- the tthird line of defence is Internal Audit, which inter-alia undertakes reviews of the adequacy of ORM processes and their effectiveness across all functions and core business processes of the Company.

(vi) Capital management

The strategy for assessing and managing the impact of the business plans on both core and contingent capital forms an integral part of the Company's strategic plan. The fundamental driver in determining capital adequacy for a credit guarantor is the sufficiency of capital to cover the expected losses on the portfolio given an assumed worst case expected loss scenario with adequate consideration given to the leverage levels and the ability of the Company to access its capital - both the invested qualifying capital and if necessary the unfunded contingent capital facility to make payment for losses under a financial guarantee. The strategy and approach to capital management is to operate with a conservative policy which is centred around ensuring that the capital structure of the company is resilient and able to absorb losses and recapitalize from internal cashflows without external fundings.

The Company is not exposed to any externally imposed capital requirement.

The Company is expected to maintain an appropriate level of qualifying capital to support issuance of its guarantees and maintain an acceptable external rating.

(f) Category of financial instruments and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities.

31 December 2024

In thousands of Naira	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)
Cash and cash equivalents	15	39,013,538	39,013,538	-
Investment securities	16	257,869,214	257,869,214	-
Guarantee fee receivable	17	8,770,252	8,770,252	-
Trade and other receivables	18	1,928,173	1,928,173	-
Total financial assets		**307,581,177**	**307,581,177**	**-**
Unsecured subordinated long term loan	30	134,414,766	-	134,414,766
Financial guarantee liability	23	10,289,597	-	10,289,597
Lease liability	27	64,803		64,803
Other liabilities	25	2,485,235	-	2,485,235
Total financial liabilities		**147,254,401**	**-**	**147,254,401**

31 December 2023

In thousands of Naira	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)
Cash and cash equivalents	15	7,702,488	7,702,488	-
Investment securities	16	157,281,654	157,281,654	-
Guarantee fee receivable	17	8,674,785	8,674,785	-
Trade and other receivables	18	602,664	602,664	-
Total financial assets		**174,261,591**	**174,261,591**	**-**
Unsecured subordinated long term loan	30	68,107,426	-	68,107,426
Financial guarantee liability	23	10,365,600	-	10,365,600
Lease liability	27	122,196		122,196
Other liabilities	25	1,264,911	-	1,264,911
Total financial liabilities		**79,860,133**	**-**	**79,860,133**

Notes to the financial statements

7 Guarantee fee income

In thousands of Naira	31 December 2024	31 December 2023
Mandate fees (a)	115,500	133,250
Guarantee fees (b)	4,119,544	2,798,341
Monitoring fees (c)	972,867	582,514
	5,207,911	**3,514,106**

(a) Amount represents the fees earned from clients for the preliminary analysis and due diligence done by the Company for providing guarantees for the issued and proposed infrastructure bonds.

(b) Amount represents the amortized portion of the non-refundable fee calculated as a percentage of the guaranteed amount earned from customers. See Note 32 for breakdown of all guarantees issued.

(c) Amount represents the amortized portion of fixed non-refundable annual fees for providing monitoring services for guarantees issued.

8 Guarantee fee expense

In thousands of Naira	31 December 2024	31 December 2023
Guarantee fee expense (a)	155,147	194,827
Re-guarantee fee expense (b)	641,145	90,632
Upfront fee expense (a)	26,775	3,003
Monitoring fee expense (a)	36,226	10,090
Due diligence/project development expense (c)	646,266	343,179
	1,505,559	**641,731**

(a) Amounts represent the fee expenses (upfront, guarantee, and monitoring fees) incurred by the Company in respect of the callable capital funding facility agreement with GuarantCo, which was later cancelled in June 2024.

(b) Re-guarantee fees represent fees paid to African Trade and Investment Development Insurance (ATIDI) for Pan African Towers (PAT) and a separate arrangement with seven other obligors; as well as payment to GuarantCo in respect of LFZC risk-sharing arrangement.

(c) Amount represents directly attributable costs incurred with respect to due diligence/project development activities and consultancy fees on guarantee transactions.

9 Net investment income

	In thousands of Naira	31 December 2024	31 December 2023
(a)	**Interest income**		
	Bank placements	2,092,958	563,145
	Eurobonds	18,619,431	7,975,819
	FGN Bonds	535,754	169,416
	Treasury Bills	457,523	-
		21,705,666	**8,708,381**

The total interest income calculated using the effective interest rate (EIR) method for financial assets at amortised cost is N21.71 billion (2023: N8.71 billion).

		31 December 2024	31 December 2023
(b)	**Interest expense**		
	Interest expense long-term unsecured subordinated loans	6,364,272	2,863,054
	Interest expenses leased liabilities (see note 21)	16,200	18,041
	Investment management fee expenses	293,863	125,525
		6,674,335	**3,006,620**
	Net interest income (a)-(b)	**15,031,331**	**5,701,760**

The total interest expense calculated using the effective interest rate (EIR) method for financial liabilities measured at amortised cost is N6.38 billion (2023: N2.88 billion).

10 Impairment charge on financial instruments

In thousands of Naira	31 December 2024	31 December 2023
Investment securities (see note 16a)	1,075,455	806,265
Other receivables (see note 18b)	463,837	86,099
Cash equivalents (see Note 15b)	25,621	4,469
	1,564,913	**896,833**

11(a) Other Income

In thousands of Naira	31 December 2024	31 December 2023
Gain on sale of property, plant and equipment	21,441	-

Notes to the financial statements

11(b) Foreign exchange gains

In thousands of Naira	31 December 2024	31 December 2023
Exchange gains	50,731,484	42,834,137

This largely represents the net foreign exchange gains or (losses) on the translation of the USD denominated financial assets and liabilities as at the reporting date using NAFEX rate.

12 Personnel expenses

(a) Employee costs, including those of executive directors, during the period amounted to:

In thousands of Naira	31 December 2024	31 December 2023
Wages and salaries	1,084,400	552,287
Short term incentive scheme (see note 26)	378,947	421,323
Other staff costs (i)	1,656,737	675,902
Long term incentive scheme (see note 26)	280,150	257,869
Pension cost	184,391	152,048
	3,584,625	**2,059,429**

(i) Other staff cost relates to medical cost, employee car allowance, executive allowance, staff lunch, staff welfare, PAYE, NHF, NSITF, and other staff benefits.

(b) The average number of persons in employment in the Company during the period comprise:

	31 December 2024	31 December 2023
Managerial	20	19
Other staff	16	13
	36	**32**

(c) Employees, other than Directors, earning more than N5 million per annum (excluding pension and other benefits), whose duties were wholly or mainly discharged in Nigeria, received remuneration in the following ranges:

	31 December 2024	31 December 2023
N5 million - N10 million	6	7
N10 million - N25 million	22	13
N25 million and above	8	12
	36	**32**

(d) Directors' remuneration

Remuneration paid to Directors of the Company (excluding pension contributions and other benefits) was as follows:

In thousands of Naira	31 December 2024	31 December 2023
Non-executive Directors		
Fees	554,458	281,818
Total	**554,458**	**281,818**

The emoluments of all Non-Executive Directors fell within the following ranges:

	31 December 2024	31 December 2023
N10 million and above	9	9

13 Other operating expenses

In thousands of Naira	31 December 2024	31 December 2023
Directors remuneration (Non-executive)	554,458	281,818
Marketing and advertising	87,304	87,884
Stationery and printing	8,904	14,394
Traveling and entertainment	372,321	140,863
Auditors remuneration	38,269	38,269
Information technology expenses	261,940	64,855
Training expenses	421,120	106,416
Administration and membership fees	71,264	20,885
Professional fees (See note (a) below)	356,900	285,177
Maintenance expenses	31,293	15,095
Insurance expenses	54,160	53,383
Utility and electricity	46,313	25,961
Other expenses (See note (b) below)	327,343	136,904
	2,631,589	**1,271,905**

Notes to the financial statements

(a) Professional fees

In thousands of Naira	31 December 2024	31 December 2023
Legal and secretarial fees	99,876	50,009
Other professional fees	152,891	169,906
HR consultancy	2,359	10,965
Credit rating expenses	101,774	54,296
	356,900	**285,177**

(b) Other expenses

In thousands of Naira	31 December 2024	31 December 2023
Bank charges	15,151	5,560
Board meeting expenses	54,332	24,733
Recruitment costs	10,254	770
Loss on disposal of property and equipment	-	22
ITF levy	23,933	12,917
Lunch expenses	7,675	12,818
Development impact expenses	27,101	18,032
Other expenses (i)	188,897	62,053
	327,343	**136,904**

(i) Other expenses includes Edge Advance signage, office expenses, business premises fee, land use charge, miscellaneous expenses, waste management expenses, fire extinguisher, DSTV Subscription, government licenses and permits and KYC expenses, legal conference expenses and year end gifts.

14 Taxation

(a) Tax Credit

In thousands of Naira	31 December 2024	31 December 2023
i *Minimum tax*		
Minimum tax	-	61,112
	-	61,112
ii Current tax		
Company income tax	161,955	-
Education tax	20,573	30,928
Information technology tax	615,585	470,474
Police Trust Fund levy	3,078	2,352
Current income tax expense (See note 14(c))	**801,191**	**503,754**
iii Deferred tax		
Deferred tax expense (see note 24)	(103,140)	103,359
Income tax expenses	**698,051**	**607,113**
Total income tax expenses	**698,051**	**668,225**

The applicable tax rates for companies income tax, tertiary education tax and information technology tax are 30%, 3% and 1% respectively.

(b) Reconciliation of effective income tax rate

	31 December 2024		31 December 2023	
In thousands of Naira	Amount	Rate	Amount	Rate
Profit before tax	61,558,548		47,047,371	
Income tax @ 30% tax rate	18,467,564	30%	14,114,211	30%
Non-deductible expenses	2,293,830	4%	1,358,157	3%
Education tax	20,573	0%	30,928	0%
Tax exempt income	(20,555,588)	-33%	(15,163,091)	-32%
Information technology tax (see note 14(a))	615,585	1%	470,474	1%
Tax losses	-	0%	-	1%
Nigeria Police Trust Fund Levy (see note 14(a))	3,078	0%	2,352	0%
Company income tax	161,955	0%	-	0%
Minimum Tax	-	0%	61,112	0%
Recognition of additional deductible temporary difference	(308,946)	-1%	(205,918)	0%
	698,051	**1%**	**668,225**	**1%**

Notes to the financial statements

(c) Current tax liability

In thousands of Naira	31 December 2024	31 December 2023
Balance as at 1 January	599,649	99,271
Charge for the year see note 14(a):		
Minimum tax	-	61,112
Current tax	801,191	503,754
Payment during the year	(510,459)	(64,488)
At end of year	**890,381**	**599,649**

15 Cash and cash equivalents

In thousands of Naira	31 December 2024	31 December 2023
Cash in hand	3	3
Cash Equivalents:		
Balances with banks	7,155,553	2,524,148
Bank placement (see note (a) below)	31,899,343	5,194,077
Cash equivalents (gross)	**39,054,899**	**7,718,228**
Impairment allowance on cash equivalents (see note (b) below)	(41,361)	(15,740)
Cash equivalents (net)	**39,013,538**	**7,702,488**
Cash and cash equivalents in the statement of financial position	**39,013,538**	**7,702,488**
Impairment allowance on cash equivalents (see note (b) below)	41,361	15,740
Cash and cash equivalents in the statement of cash flows	**39,054,899**	**7,718,228**
Current	**39,013,538**	**7,702,488**

(a) Bank placements consist of both Naira and USD denominated assets with the banks. The bank placements have an average interest rate of 19.94% (2023: 7.5%) and have an original acquisition date of less than 3 months tenor.

(b) The movement in impairment allowance on cash and cash equivalents is as follows:

In thousands of Naira	31 December 2024	31 December 2023
Opening balance	15,740	620
Recognised in income statement (See note 10)	25,621	15,120
Closing balance	**41,361**	**15,740**

16 Investment securities

In thousands of Naira	31 December 2024	31 December 2023
FGN Eurobonds at amortised cost (i)	229,490,535	126,532,154
Corporate Eurobonds at amortised cost (i)	23,253,902	27,297,055
FGN Bonds (ii)	4,244,932	4,820,376
Treasury bills	3,323,231	-
	260,312,600	158,649,585
Impairment allowance on investment securities (see note (a) below)	(2,443,386)	(1,367,931)
Investment securities	257,869,214	157,281,654
Current	25,505,471	45,868,963
Non-Current	232,363,743	111,412,691
Total	**257,869,214**	**157,281,654**

(i) FGN and Corporate Eurobonds have stated yields of 6.5% to 9.5% respectively, and mature in six months to seven years (December 2023: five month to nine years).

(ii) FGN Bonds have stated yields of 12.5% to 16.4% and mature in a year to five years (December 2023: a month to six years).

The movement in impairment allowance on investment securities is as follows:

(a)

In thousands of Naira	31 December 2024	31 December 2023
Opening balance	1,367,931	561,666
Recognised in income statement (See note 10)	1,075,455	806,265
Closing balance	**2,443,386**	**1,367,931**

Notes to the financial statements

17 Guarantee fee receivable

In thousands of Naira	31 December 2024	31 December 2023
Opening Balance	8,674,785	6,521,354
Present value of guarantee fee received	(2,576,290)	(2,321,946)
Additions during the year	2,671,757	4,475,376
Gross guarantee fee receivable	8,770,252	8,674,785
Impairment allowance	-	-
Guarantee fee receivable (see (a) below)	8,770,252	8,674,785
Current	1,768,989	1,638,520
Non-current	7,001,263	7,036,264
Total	**8,770,252**	**8,674,785**

(a) Amount represents the present value of guarantee fees receivable under the contracts undertaken by the Company to provide financial guarantee contracts. See Note 32 for the guarantees issued by the Company.

18 Trade and other receivables

In thousands of Naira	31 December 2024	31 December 2023
Other financial assets		
Trade receivable (a)	2,527,242	829,333
Other receivables (see note (b) below)	93,580	2,143
	2,620,822	831,476
Impairment (see note (c) below)	(692,649)	(228,812)
	1,928,173	602,664
Cash advance	8,124	5,722
	8,124	5,722
Total- Trade and other receivables	**1,936,297**	**608,386**
Current	1,936,297	608,386
Non-Current	-	-
Total	**1,936,297**	**608,386**

(a) Trade receivables relates to unpaid mandate and guarantee fees billed to clients and preliminary due diligence cost borne by Infracredit and to be refunded by clients. The average credit period is 30 days. No interest is charged on outstanding trade receivables.

(b) Other receivables relates to receivable from a KfW Technical Assistant Facility on various expenses relating to Clean Energy, and African Property Investment Summit initially borne by Infracredit.

(c) The movement in impairment allowance on other assets is as follows:

In thousands of Naira	31 December 2024	31 December 2023
Opening balance	228,812	142,713
Recognised in income statement (See note 10)	463,837	86,099
Closing balance	**692,649**	**228,812**

19 Prepayments

In thousands of Naira	31 December 2024	31 December 2023
Prepayments	346,076	246,818
Current	346,076	246,818
Non-Current	-	-
Total	**346,076**	**246,818**

Notes to the financial statements

20 Property and equipment

In thousands of Naira	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Leasehold improvement	Total
Cost							
Balance as at 1 January 2023	82,946	105,162	68,812	166,109	2,038	130,690	555,757
Additions	16,748	16,892	1,774	81,871	960	10,871	129,117
Disposals	-	-	(1,498)	-	-	-	(1,498)
Balance as at 31 December 2023	**99,694**	**122,054**	**69,088**	**247,980**	**2,998**	**141,561**	**683,374**
Balance as at 1 January 2024	99,694	122,054	69,088	247,980	2,998	141,561	683,376
Additions	51,903	68,904	1,558	92,988	32,550	795	248,698
Disposals	(303)	(102)	(116)	-	-	-	(521)
Write off	-	-	-	-	(798)	-	(798)
Transfer to / from WIP	1,390	-	810	-	(2,200)	-	-
Balance as at 31 December 2024	**152,684**	**190,856**	**71,340**	**340,968**	**32,550**	**142,356**	**930,754**
Accumulated depreciation							
Balance as at 1 January 2023	47,102	78,312	55,795	93,564	-	34,782	309,555
Depreciation for the year	16,920	17,098	9,402	36,700	-	13,996	94,116
Disposal	-	-	(1,404)	-	-	-	(1,404)
Balance as at 31 December 2023	**64,022**	**95,410**	**63,791**	**130,264**	**-**	**48,778**	**402,265**
Balance as at 1 January 2024	64,022	95,410	63,791	130,264	-	48,778	402,265
Depreciation for the year	20,323	15,972	3,591	51,347	-	14,312	105,545
Disposal	(303)	(102)	(116)	-	-	-	(521)
Balance as at 31 December 2024	**84,042**	**111,280**	**67,266**	**181,611**	**-**	**63,090**	**507,288**
Carrying amounts							
Balance as at 31 December 2023	**35,673**	**26,644**	**5,297**	**117,716**	**2,998**	**92,783**	**281,109**
Balance as at 31 December 2024	**68,642**	**79,576**	**4,074**	**159,357**	**32,550**	**79,266**	**423,466**

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2023:Nil).
(ii) There were no impairment losses on any class of property and equipment during the year (2023:Nil).
(iii) There are no restriction on the Company's title to its property and equipment in the year (2023:Nil).
(iv) All property and equipment are non-current assets.

Notes to the financial statements

21 Right of use asset

In thousands of Naira	31 December 2024	31 December 2023
Cost		
Balance as at beginning of the year	218,966	218,966
Addition to right-of-use asset	291,670	-
Derecognition of to right-of-use asset	(218,966)	-
Balance at end of the year	291,670	218,966
Accumulated Depreciation		
Balance as at beginning of the year	89,413	67,516
Charge for the period	31,006	21,897
Derecognition of accumulated depreciation on right-of-use asset	(105,835)	-
Balance at end of the year	14,584	89,413
Carrying amount	**277,086**	**129,552**
Amounts recognised in profit or loss		
Interest on lease liabilities	16,200	18,041
Depreciation charge of right-of-use assets	31,006	(21,897)

During the year, there was a cash outflow of N210 million in respect to the lease and N21 million of withholding tax on the lease payment in the period (2023: Nil).

22 Intangible assets

Purchased software

In thousands of Naira	31 December 2024	31 December 2023
Cost		
Balance as at beginning of the year	187,880	104,506
Additions	6,003	83,374
Balance at end of the year	193,883	187,880
Accumulated Amortisation		
Balance as at beginning of the year	59,037	42,316
Charge for the year	10,382	16,721
Balance at end of the year	69,419	59,037
Carrying amount	**124,464**	**128,843**

All intangible assets are non-current. The Company does not have internally generated intangible assets.

The Company's intangible assets are not impaired.

No commitment in respect of the Company's intangible assets.

23 Financial guarantee liability

In thousands of Naira	31 December 2024	31 December 2023
Opening balance	10,365,600	7,382,654
Amortised guarantee liability during the year	(4,119,544)	(2,798,341)
Additions during the year	4,043,541	5,781,287
Financial guarantee liability	10,289,597	10,365,600
Current	2,911,422	1,865,808
Non-current	7,378,175	8,499,792
	10,289,597	**10,365,600**

Financial guarantee liability represents the present value of guarantee fees receivable less the cumulative amount of guarantee fee income recognised. See Note 32 for the guarantees issued by the Company.

Notes to the Financial Statements

24 Deferred tax asset

In thousands of Naira	31 December 2024	31 December 2023
Property and equipment	(162,021)	(83,025)
Tax losses	-	-
Allowance for expected credit losses	645,623	463,486
	483,602	**380,461**

Deferred taxes are calculated on all temporary differences under the liability method using a statutory tax rate of 33% (2023: 30%).

(a) Movements in temporary differences during the year:

In thousands of Naira	1 January 2024	Recognised in profit or loss	31 December 2024
Property and equipment	(83,025)	(78,997)	(162,021)
Tax losses	-	-	-
Allowance for expected credit losses & other deferred tax items	463,486	182,137	645,623
	380,461	**103,140**	**483,602**

(b) Movements in temporary differences 1 January 2023 to 31 December 2023:

In thousands of Naira	1 January 2023	Recognised in profit or loss	31 December 2023
Property and equipment	59,303	(142,328)	(83,025)
Tax losses	341,914	(341,914)	-
Allowance for expected credit losses & other deferred tax items	82,604	380,882	463,486
	483,821	**(103,360)**	**380,461**

25 Other liabilities

In thousands of Naira	31 December 2024	31 December 2023
Financial liabilities		
Due to GuarantCo (see note (i) below)	-	337,119
Accruals (see note (ii) below)	732,710	927,792
Dividend payable (see note (iii) below)	1,752,525	
	2,485,235	**1,264,911**
Non financial liabilities		
Statutory deductions payable (see note (iv) below)	825,352	495,035
Output VAT	154,413	118,691
Deferred revenue	496,263	374,016
	1,476,028	**987,742**
Total - Other Liabilities	**3,961,263**	**2,252,653**
Current	3,961,263	1,915,534
Non current	-	337,119
	3,961,263	**2,252,653**

(i) This represents guarantee fee payable in respect of callable capital previously provided by GuarantCo but now cancelled.
(ii) This represents the payables in respect of services rendered to the Company by different professional services firms, clients and vendors.
(iii) This represents ordinary dividend (net of WHT) declared during the year to all ordinary shares ranking for dividends for the interim period ended 30 June 2024.
(iv) This represents statutory deductions payable to the Governments such as Pay As You Earn (PAYE), pension, Nigerian Social Insurance Trust Fund (NSITF), National Housing Fund (NHF) and Withholding Tax (WHT).

26 Employee benefit obligation

In thousands of Naira	31 December 2024	31 December 2023
Employee liabilities (see note (i) below)	180,869	111,642
Long term incentive scheme (see note (ii) below)	758,122	513,533
Short term incentive scheme (see note (iii) below)	478,946	421,323
	1,417,937	1,046,498

(i) This represents provisions for vacation allowance, mortgage subsidy allowance and provisions for other staff benefits.

(ii) Long Term Incentive Scheme

Effective from 1 January 2024, the Long-term incentive (LTI) scheme represents a long-term bonus scheme instituted for all currently employed permanent employees on the level of Vice President (VP) – Chief Executive Officer (CEO) level with at least five (5) year of service and no pending disciplinary action. The annual LTI award is computed as 2.5% of profit before tax for the year after deducting net unrealized exchange gains, if all required targets are met. The deferral year is set at 3 years, at the end of which, employees may cash out or choose to hold their award for longer. Pay-outs from the plan will be taxed according to the applicable tax laws in the Federal Republic of Nigeria.

In thousands of Naira	31 December 2024	31 December 2023
Opening Balance	513,533	255,664
Provision during the year	280,150	257,869
Payment during the year	(35,561)	-
	758,122	**513,533**

Notes to the Financial Statements

26 **Employee benefit obligation - Contiinued**

(iii) **Short Term Incemtive Scheme**

Prior to 1 January 2024, the STI computation was based on 10% of profit before tax. Effective from 1 January 2024, the STI award related computation varies from 3.5% - 7.5% of profit before tax after adjustment for net unrealized exchange differences depending on meeting the key performance indicators (KPIs) agreed with the Board. Payment of the STI is at the full discretion of the Board. It was applied retrospectively to 2023.

In thousands of Naira	31 December 2024	31 December 2023
Opening Balance	421,323	-
Provision during the year	378,947	421,323
Payment during the year	(321,324)	-
Short term incentive scheme	478,946	421,323

27 **Lease liabilities**

In thousands of Naira	31 December 2024	31 December 2023
Opening	122,196	104,155
Addition to lease liabilities	157,407	-
Payment	(231,000)	-
Interest on lease liabilities	16,200	18,041
	64,803	**122,196**

The above lease is a 5 year lease effective November 2019, with an option to extend for another 5 years. During the year 2024, the Company recognised a gain of N21.3 million (2023:nil) on derecognition of the right-of-use asset and presented the gain as part of 'Gain on sale of property, plant and equipment'. See note 11(a). Management also entered into a new lease for a 5 year period from October 2024 to September 2029 and has prepaid for three (3) years.

In thousands of Naira	31 December 2024	31 December 2023
Non-current	64,803	89,196
Current	-	33,000
	64,803	**122,196**

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Company's Finance function.

28 **Share capital**

(a) **Ordinary shares**

Issued and fully paid

15,255,079,725 ordinary shares of N1 each (2023:6,215,390,843 ordinary shares of N1 each)

Movement in the year		
Opening balance	6,215,391	3,497,637
Issue of ordinary shares (see note 29(d))	9,039,689	2,717,754
	15,255,080	**6,215,391**

(b) **Preference shares (irredeemable)**

Authorised, issued and fully paid irredeemable preference shares

Preference Shares (irredeemable)	**8,022,905**	**8,022,905**

Irredeemable preference shares have no repayment date and there is no obligation on the part of the Company to repay the capital. Dividend payment on irredeemable preference shares are discretionary, subject to the Board's recommendation and shareholder approval.

(c) **Preference shares (redeemable)**

Authorised, issued and fully paid redeemable preference shares

Opening balance	23,385,829	21,915,065
Capitalisation of preference dividends	-	1,470,764
	23,385,829	**23,385,829**

There were no issues of preference shares or capitalization of preference shares during the year.
At the Board Meeting of the Company, held on 27 March 2023, the Board approved the declaration and capitalization of dividend of N1.5 billion (1.4 billion net WHT); NSIA: N521 million (exempted from WHT), AFC: N681 million (exempted from WHT), InfraCo: N273.8 million (i.e. N246.4 million net of WHT of 10%) and Leadway N24.3million (i.e. N21.9 million net of WHT of 10%).

The terms of the redeemable preference shares confer on the Company the discretion to use its best effort to provide an exit option for AFC, InfraCo Africa Investment Limited and Leadway Assurance as soon as practicable. Dividend payment on redeemable preference shares is discretionary based on the recommendation of the Board and subject to the approval of the shareholders. Redemption is solely at the option of the Company.

(d) In December 2016, the Company signed a Callable capital Funding Facility Agreement of USD50,000,000 Naira equivalent with GuarantCo Limited.
The Callable Capital Funding Facility Agreement with GuarantCo Limited (the "Callable Capital") was the unfunded second loss component of the Company's capital structure and acted as a liquid credit backstop to the Company's paid in share capital (the "Core Capital"). The Callable Capital was a 15-year unconditional and irrevocable obligation of GuarantCo and could be called on demand by the Company to replenish the Company's Core Capital if at any time the Company determines that as a result of actual or expected credit losses on its guaranteed portfolio, its Core Capital will become impaired by 80%. The Callable capital agreement became effective on 12 December 2017 and USD25 million was available based on the terms of the agreement while the balance of USD 25 million cancelled in 2021. On 30th June 2024, the outstanding balance of USD25 million was also cancelled.

31 December 2024

	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589
Africa Finance Corporation (AFC)	4,360,193,641	9,952,067,699	14,312,261,340
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139
	15,255,079,725	**31,408,731,931**	**46,663,811,656**
Shares held in trust:			
United Capital Trustees Limited	-	3,591,268,069	3,591,268,069
	15,255,079,725	**35,000,000,000**	**50,255,079,725**

Notes to the Financial Statements

31 December 2023

	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	1,239,493,751	10,187,280,172	11,426,773,923
Africa Finance Corporation (AFC)	1,239,493,751	9,952,067,699	11,191,561,450
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031
Leadway Assurance Company Limited	640,493,326	1,461,531,905	2,102,025,231
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139
	6,215,390,843	**31,408,731,931**	**37,624,122,774**
Shares held in trust:			
United Capital Trustees Limited (UCTL)	8,784,609,157	3,591,268,069	12,375,877,226
	15,000,000,000	**35,000,000,000**	**50,000,000,000**

During the Board meeting on 29 July 2024, the Board approved the rights issue for the issuance of ordinary shares of 9,039,688,882 (5,278,495,666 ordinary shares to NSIA, 3,120,669,890 ordinary shares to AFC and 640,493,326 ordinary shares to Leadway) to existing shareholders at a price of N2.07 per share. Included in the shares issued out were all of the 8,784,609,157 ordinary shares previously held in trust on behalf of the company by United Capital.

On 27 December 2024, the Company increased its share capital from N50,000,000,000 to N50,255,079,725 by creation of additional 255,079,725 ordinary shares of N1.00 each.

On 14 December 2023, AIICO Insurance Plc was admitted as shareholder acquiring 5% shares for N1,881,206,139 valued at N1.48 per share for a consideration of N2,784,185,085. AIICO Insurance Plc is a publicly quoted company limited by shares, incorporated under the CAMA 2020 and having its registered address at AIICO Plaza, Plot PC 12, Churchgate Street, Victoria Island, Lagos and with registered company number 7340.
Also, during Board meeting on 27 October 2023 the Board approved the payment of ordinary dividends of N874 Million for all ordinary shares ranking for dividends for the interim year ending 31 December 2023. The ordinary dividends were capitalized by issuing additional dividend shares to the beneficiary shareholders.

(e) Share premium	31 December 2024	31 December 2023
	10,668,787	**1,016,924**

In 2024, 9,039,688,882 units of ordinary shares of N1 each were allotted to existing share holders at N2.07 per share, giving rise to a share premium of N9,627,467,104. The gross proceed from the issue of shares amounted to N18,712,155,986.12. See breakdown below.

In 2023, the gross proceeds from the 1,881,206,139 units of ordinary shares allotted to AIICO PLC at N1.48 per share were N2,784,185,085.

31 December 2024

In thousands of Naira	Ordinary shares	Share Premium	Total
5,278,495,666 ordinary shares of N1.07k each to NSIA	5,278,496	5,647,990	10,926,486
3,120,669,890 ordinary shares of N1.07k each to AFC	3,120,700	3,339,149	6,459,849
640,493,326 ordinary shares of N1.07k each to Leadway	640,493	685,328	1,325,821
Gross proceeds	**9,039,689**	**9,672,467**	**18,712,156**

31 December 2023

In thousands of Naira	Ordinary shares	Share Premium	Total
1,881,206,139 ordinary shares of N0.48k each	1,881,206	902,979	2,784,185
Gross proceeds	**1,881,206**	**902,979**	**2,784,185**

Movement in the year	31 December 2024	31 December 2023
Opening balance	1,016,924	113,945
Addition	9,672,467	902,979
Transaction cost of share issued (see note (i) below)	(20,604)	
Balance at the end of year	**10,668,787**	**1,016,924**

(i) Amount relates to transaction cost on aditional share capital issued during the year.

29 Retained earnings

In thousands of Naira	31 December 2024	Total
Balance as at 1 January	54,299,026	10,294,981
Preference dividend (see a&b)	(12,049,335)	(1,500,692)
Ordinary dividend (See a)	(372,924)	(874,409)
Ordinary dividend declared(See c)	(1,864,617)	-
	-	-
	40,012,150	7,919,880
Profit for the year	60,860,497	46,379,146
Balance at the end of year	**100,872,647**	**54,299,026**

The retained earnings include a total of N92.48 billion (2023: N50.48 billion), representing cumulative unrealized net foreign exchange gains from 2017 to 31 December, 2024. These gains arise from the periodic revaluation of assets financed by USD-denominated preference shares. If the Company exercises the option to return the capital to the preference shareholders in the future, in line with the terms and conditions of the preference shares, these gains will be utilized to repay the preference shares:

Notes to the Financial Statements

(a) Dividend Paid

At the 30th Board Meeting of the Company, held on 4 March 2024, the Board approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2022 and 31 December 2023. See below for details (amount includes WHT):

31 December 2024

Shareholders	Preference dividend $000	Preference dividend ₦000	Ordinary dividend ₦000
Nigeria Sovereign Investment Authority (NSIA)	3,129	4,096,615	74,370
Africa Finance Corporation (AFC)	4,155	5,438,910	74,370
InfraCo Africa Investment Limited (InfraCo)	1,531	2,003,884	72,882
Leadway Assurance Company Limited	390	509,926	38,430
AIICO Insurance Plc	-	-	112,872
Total	**9,205**	**12,049,335**	**372,924**

(b) Table showing Preference Dividend paid in line with Dividend policy

Shareholders	In line with Capital Rate ₦000	FX differential between capital rate and rate at date of payment ₦000	Total ₦000
Nigeria Sovereign Investment Authority (NSIA)	1,128,402	2,968,213	4,096,615
Africa Finance Corporation (AFC)	1,515,999	3,922,910	5,438,909
InfraCo Africa Investment Limited (InfraCo)	598,469	1,405,414	2,003,883
Leadway Assurance Company Limited	160,219	349,707	509,926
Total	**3,403,089**	**8,646,244**	**12,049,333**

(c) Dividend Declared

At the 33th Board Meeting of the Company, held on 11 November 2024, the Board approved the declaration and cash payment of ordinary dividend for existing shareholders for the interim period ended 30 June 2024. See below for details (amount includes WHT):

Shareholders	Ordinary dividend ₦000
Nigeria Sovereign Investment Authority (NSIA)	371,848
Africa Finance Corporation (AFC)	371,848
InfraCo Africa Investment Limited (InfraCo)	364,411
Leadway Assurance Company Limited	192,148
AIICO Insurance Plc	564,362
Total	**1,864,617**

30 Unsecured subordinated long term loans

In thousands of Naira		**Total**
Opening	68,107,426	32,986,699
Accrued Interest	6,364,272	2,863,054
Revaluation loss	41,590,441	36,203,571
Interest repayment	(6,021,164)	(3,945,899)
Additions (see Note (a))	24,373,791	-
	134,414,766	**68,107,426**
Current	5,828,080	1,891,187
Non-current	128,586,686	66,216,239
	134,414,766	**68,107,426**

(a) In addition to the USD 26 million, USD 35 million, and USD 10 million unsecured subordinated loans KfW provided in 2019 and 2018 and AfDB in 2020 at simple interest rates of 5.25%, 6%, and 4.07% respectively, Africa Development Bank (AfDB) advanced an unsecured subordinated 10-year loan of USD 15 million at a 7.21% simple interest rate in September 2024. Included in the additions is an amount of N214.2 million transaction cost on the loan

See summary of the loan below:

	Amount disbursed	**Date disbursed**	**Maturity date**	**Interest rate**	**Balance as at Dec 2024**	**Balance as at Dec 2023**
KFW 1	35,116,800	31 Dec 2018	19 Dec 2028	6.00%	35,185,402	33,485,264
KFW 2	26,196,548	20 Dec 2019	30 Nov 2029	5.25%	26,270,691	24,993,805
AfDB 1	10,000,000	14 Sept 2020	1 Feb 2030	4.07%	10,129,859	9,628,357
AfDB 2	15,000,000	14 Sept 2024	1 Feb 2034	7.21%	15,189,236	-

31 Related parties transactions

(a) **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 associates, joint ventures and the Company's pension schemes, as well as key management personnel.

31 Related parties transactions - Continued

(i) ***Parent and ultimate controlling party***

Until 20 December 2018, the parent and ultimate controlling party of the Company was Nigeria Sovereign Investment Authority (NSIA). Thereafter, the Company is owned by NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited, Leadway Assurance Company Limited and AIICO Insurance PLC (See Note 8 of Directors' Report and Note 28 for details of shareholdings).

(ii) ***Transactions with related party***

Related party transactions and outstanding balances as at year end are as follows:

In thousands of Naira

Related entity	**Nature of transactions**	**Note**	**31 December 2024**	**31 December 2023**
Guarantco	Payables - fee accrual in respect of callable capital provided by GuarantCo.	25	-	337,119

Notes to the Financial Statements

32 Contingent liabilities, litigations and claims

As at 31 December 2024, the Company had issued the Guarantees below, which represent contingent liabilities outstanding. See Note 23 for fair values of the Financial guarantees liability.

In thousands of Naira

Client	Guaranteed amount	Outstanding balance December 2024	Outstanding balance December 2023	*Amount due within 12 Months	*Amount due over 12 months	Duration
Viathan Funding Ltd	10,000,000	5,222,785	6,492,373	1,480,848	3,741,937	15 December 2017 - 14 December 2027
North South Power	8,500,000	7,218,191	7,536,150	369,495	6,848,696	28 February 2019 - 27 February 2034
GEL Utility	13,000,000	11,740,758	12,223,071	558,151	11,182,607	28 August 2019 - 27 August 2034
Transport Services Ltd (TSL)	12,000,000	9,000,000	10,500,000	1,500,000	7,500,000	6 October 2020 - 5 October 2030
North South Power II	1,364,079	569,541	842,357	272,816	296,725	18 May 2021 - 30 June 2027
Viathan Funding Ltd II	1,523,151	761,576	990,048	304,630	456,945	30 September 2021 - 30 March 2028
Lagos Free Zone Company	10,500,000	10,500,000	10,500,000	-	10,500,000	16 September 2021 - 16 September 2041
GPC Energy and Logistics	20,000,000	18,456,306	20,000,000	1,750,896	16,705,410	23 November 2021 - 23 November 2031
LFZC II Funding SPV Plc	25,000,000	25,000,000	25,000,000	-	25,000,000	10 March 2022 - 16 March 2042
PAN African Towers Limited	10,000,000	9,630,075	10,000,000	814,997	8,815,078	2 February 2022 - 2 February 2032
Asiko Power Limited	1,500,000	1,220,350	1,417,859	216,777	1,003,574	13 April 2022 - 30 April 2029
Gas Terminalling Ltd	3,500,000	3,441,667	3,500,000	700,000	2,741,667	31 October 2022 - 31 October 2029
Darway	800,000	800,000	800,000	119,857	680,143	30 September 2022 - 30 September 2029
GLNG	650,000	650,000	650,000	97,384	552,616	28 September 2022 - 30 September 2029
Transport Services Ltd (TSL) II	5,000,000	5,000,000	5,000,000	5,000,000	-	30 September 2022 - 31 December 2025
GLNG	5,000,000	5,000,000	5,000,000	170,521	4,829,479	14th June 2023 - 14th June 2033
Falcon Incorporation Limited	3,000,000	3,000,000	3,000,000	400,000	2,600,000	31 May 2023- 30 April 2030
LFZC III Funding SPV Plc	17,500,000	17,500,000	17,500,000	-	17,500,000	29 March 2023 - 16 March 2043
Victoria Island Power	9,200,000	9,200,000	9,200,000	1,672,727	7,527,273	7th June 2023 - 30th June 2030
Hotspot Network Limited	955,000	955,000	955,000	67,505	887,495	31 July 2023 - 31 July 2030
GLNG III	208,104	107,025	178,375	71,350	35,675	31 July 2023 - 31 December 2026
Coleman Technical Industries Limited	10,000,000	9,166,667	10,000,000	1,666,667	7,500,000	12th July 2023 - 30 July 2030
Abuja Steel Mill	10,000,000	10,000,000	10,000,000	666,667	9,333,333	30 Sept 2023- 31 August 2030
Victoria Island Power II	3,800,000	3,800,000	3,800,000	3,800,000	-	19 Sept 2023 - 31 December 2025
Me Cure Industries Plc III	5,000,000	5,000,000	4,000,000	416,667	4,583,333	10 July 2024 - 30 June 2031
Me Cure Industries Plc IV	5,000,000	5,000,000	2,500,000	-	5,000,000	7 October 2024 - 30 September 2031
Modern Shelter Systems	3,000,000	2,625,000	3,000,000	750,000	1,875,000	28 November 2023 to 31 January 2028
Victoria Island Power III	3,000,000	3,000,000	3,000,000	3,000,000	-	21 December 2023 - 31 December 2025
ACOB Lighting Tecnology Ltd	755,000	755,000	755,000	-	755,000	31 December 2023 - 31 December 2030
Gas Terminalling II	8,500,000	8,500,000	8,500,000	8,500,000	-	21 December 2023 - 31 January 2025
GLNG IV	4,000,000	4,000,000	-	833,333	3,166,667	29 February 2024 - 28 February 2029
GNLG V	5,000,000	5,000,000	-	5,000,000	-	5 April 2024 - 5 April 2025
Modern Shelter II	2,500,000	2,500,000	-	625,000	1,875,000	25 March 2024 - 30 June 2028
Prado Power	1,950,000	1,950,000	-	-	1,950,000	22 November 2024 - 30 October 2031
Falcon Incorporation Limited II	2,000,000	2,000,000		83,333	1,916,667	31 October 2024 - 30 September 2031
Victoria Island Power IV	10,000,000	10,000,000		10,000,000	-	30 October 2024 - 30 April 2025
Ladol Integrated Logistics Free Zone	1,268,750	1,268,750		126,875	1,141,875	9 December 2024 - 30 June 2030
Viathan Funding Ltd III	1,000,000	1,000,000	-	1,000,000	-	5 December 2024 - 5 March 2025
	235,974,085	**220,538,691**	**196,840,233**	**52,036,495**	**168,502,195**	

On December 30, 2024, Asiko Power Limited issued an N8 billion capital market bond, guaranteed by Infracredit. The bond proceeds were intended to refinance the N8.5 billion Gas Terminaling 2 bridge facility. However, as of December 31, 2024, Asiko Power Limited had not yet received the bond proceeds. Consequently, the transaction was not recognized as finalized in the financial statements, but this disclosure was made to reflect the status.

There were no claim against the Company as at 31 December 2024 (2023:Nil) in respect of the issued guarantees.

There was no litigation against the Company during the financial year ended 31 December 2024 (2023: Nil).

Amount due within and over 12 months is not inclusive of interest charged.

33 Events after reporting date

Following the completion of the Rights Issue on December 27, 2024, and the public listing of the Company on December 12, 2024, the Company is currently in the process of listing on the NASD and concurrently raising additional capital of N27 billion through a Private Placement.

34 Statement of cash flow notes

(a) Purchase and redemption of investment securities

In thousands of Naira	Note	31 December 2024	31 December 2023
At the beginning of the year		157,281,654	72,297,037
Interest income	9	21,705,666	8,708,381
Interest received		(16,265,470)	(8,638,631)
Exchange gain on investment securities		92,321,925	79,037,708
Impairment loss on investment securities	10	(1,075,455)	(806,265)
Closing balance	16	(257,869,214)	(157,281,654)
Cash outflow/(inflow)		**(3,900,894)**	**(6,684,784)**

(b) Interest received

In thousands of Naira	Note	31 December 2024	31 December 2023
Interest receivable on investment securities beginning of the year			-
Interest income	9	21,705,666	8,708,381
Interest receivable on investment securities		(5,440,196)	(69,750)
Cash inflow		**16,265,470**	**8,638,631**

Notes to the Financial Statements

34 Statement of cash flow notes - continued

(b) Changes in financial guarantee liability

In thousands of Naira		31 December 2024	31 December 2023
At the beginning of the year		10,365,600	7,382,654
Net movement (cash outflow)		(76,003)	2,982,946
At the end of the year	23	**10,289,597**	**10,365,600**

(c) Changes in trade and other receivables

In thousands of Naira		31 December 2024	31 December 2023
At the beginning of the year		608,386	265,884
Impairment loss on other assets (see note 10)		(463,837)	(86,099)
Net movement (cash outflow)		1,791,748	428,601
At the end of the year	18	**1,936,297**	**608,386**

(d) Changes in guarantee fee receivable

In thousands of Naira	31 December 2024	31 December 2023
At the beginning of the year	8,674,785	6,521,354
Net movement (cash inflow)	95,467	2,153,431
At the end of the year	**8,770,252**	**8,674,785**

(e) Changes in other liabilities

In thousands of Naira	31 December 2024	31 December 2023
Balance at the beginning of the year	2,252,653	1,732,185
Dividend payable	1,864,617	-
Net movement (cash inflow)	(156,012)	632,110
At the end of the year	**3,961,263**	**2,364,295**

(f) Movement in ordinary share capital

In thousands of Naira	31 December 2024	31 December 2023
At the beginning of the year (see note 28)	6,215,391	3,497,637
Net movement (net inflow)	9,039,689	2,717,754
At the end of the year	**15,255,080**	**6,215,391**

(g) Movement in irredeemable preference shares

In thousands of Naira	31 December 2024	31 December 2023
Irredeemable preference shares at the beginning of the year (see note 28(b))	8,022,905	8,022,905
Net movement (net inflow) dividend capitalisation	-	-
At the end of the year	**8,022,905**	**8,022,905**

(h) Movement in redeemable preference shares

In thousands of Naira	31 December 2024	31 December 2023
At the beginning of the year (see note 28(c))	23,385,829	21,915,065
Net movement (net inflow)	-	1,470,764
At the end of the year	**23,385,829**	**23,385,829**

(i) Gain on disposal of property and equipment

In thousands of Naira	31 December 2024	31 December 2023
Cost (see note 20)	521	1,498
Accumulated depreciation (see note 20)	(521)	(1,404)
Net book value	**-**	**94**
Sales proceed	310	**72**
Gain on disposal of property and equipment	**310**	**(22)**

(j) Unrealised foreign exchange gain

In thousands of Naira	31 December 2024	31 December 2023
Exchange loss on unsecured subordinated long term loan	41,590,441	36,203,571
Exchange gain on investment securities	(92,321,925)	(79,037,708)
At the end of the year	**50,731,484**	**42,834,137**

(k) Movement in Unsecured Subordinated Capital

In thousands of Naira		31 December 2024	31 December 2023
At the beginning of the year		68,107,426	32,986,699
Addition		24,373,791	-
Interest expenses (see note (9)(b))		6,364,272	2,863,054
Repayment (see note 30)		(6,021,164)	(3,945,899)
Exchange loss (see note 30)		41,590,441	36,203,571
Balance at the end of the year	30	**134,414,766**	**68,107,426**

(l) Changes in prepayments

At the beginning of the year		246,818	57,535
Net movement (cash outflow)		99,258	189,283
At the end of the year	19	**346,076**	**246,818**

Notes to the Financial Statements

34 Statement of cash flow notes - continued

(m) Movement in retained earnings

In thousands of Naira		31 December 2024	31 December 2023
At the beginning of the year		54,299,026	10,294,983
Ordinary dividend paid		(372,924)	-
Preference dividend paid		(12,049,335)	
Ordinary dividend payable		(1,864,617)	
Capitalisation of Ordinary shares		-	(874,409)
Capitalisation of preference dividend		-	(1,500,692)
Profit for the year		60,860,497	46,379,146
At the end of the year		**100,872,647**	**54,299,028**

(n) Movement in lease liabilities

At the beginning of the year		122,196	104,155
Lease remeasurement		157,407	-
Lease payment		(231,000)	-
Net movement (cash outflow)		16,200	18,041
At the end of the year	**27**	**64,803**	**122,196**

(o) Movement in employee benefit

At the beginning of the year		1,046,498	255,664
Net movement (cash outflow)		371,439	679,192
At the end of the year		**1,417,937**	**934,856**

Other Information - Capital Management

Capital management

The strategy for assessing and managing the impact of the business plans on both core and contingent capital forms an integral part of the Company's strategic plan. The fundamental driver in determining capital adequacy for a credit guarantor is the sufficiency of capital to cover the expected losses on the portfolio given an assumed worst case expected loss scenario with adequate consideration given to the leverage levels and the ability of the Company to access its capital - both the invested qualifying capital and if necessary the unfunded contingent capital facility to make payment for losses under a financial guarantee.
The strategy and approach to capital management is to operate with a conservative policy which is centred around ensuring that the capital structure of the company is resilient and able to absorb losses and recapitalize from internal cashflows without external fundings.
The Company is not exposed to any externally imposed capital requirement.

The Company is expected to maintain an appropriate level of qualifying capital to support issuance of its guarantees and maintain an acceptable external rating.

Qualifying capital is defined as:
- the amount of qualifying core capital, plus
- unfunded contingent capital, less
- loss provisions, and
- any other non-credit guarantee related liabilities.

Qualifying core capital means an amount equal to:
- the cash value of all permitted investments together with all cash and bank balances; plus
- any cash balance; less
- projected operating expenses for the immediately succeeding quarter; less
- projected expected guarantee payments for the immediately succeeding quarter.

The Company's capital risk is measured and monitored using capital leverage ratio. Capital leverage ratio is "Notional amount guaranteed" divided by (÷) "Qualifying capital".

"Notional amount guaranteed" means an amount equal to:
- The aggregate value of the maximum liability set out in the credit guarantees, less
- The value of the relevant utilized approved credit risk mitigant facilities.

In thousands of Naira	**31 December 2024**	**31 December 2023**
Qualifying capital		
Investment securities	257,869,214	157,281,654
Cash and bank balances	39,013,538	7,718,228
Projected operating expenses	(1,405,066)	(718,689)
Projected expected guarantee payments	-	-
Qualifying core capital	**295,477,686**	**164,281,193**
Unfunded contingent capital	-	23,794,750
(Loss) provisions	-	-
Other non-credit guarantee related liabilities	(6,334,384)	(3,731,864)
Qualifying capital	**289,143,302**	**184,344,079**
Notional amount guaranteed		
Amount guaranteed	220,538,691	196,840,233
Re-guarantee (USAID) & ATI and ATIDI	(64,587,499)	(10,723,071)
Accrued interest	4,255,474	4,084,218
Credit risk mitigant/reserve account	(11,967,210)	(10,233,549)
Notional amount guaranteed	**148,239,455**	**179,967,831**
Net capital leverage ratio	**0.51**	**0.98**
Gross capital leverage ratio	**0.78**	**1.09**

Based on the Capital Management Policy, the Company's capital leverage ratio shall not be higher than "5" (five) within the fourth year anniversary from 31 December 2020 and thereafter, "7.5" (seven point five). The Company has kept its leverage ratio in line with its Capital Management Policy.

Qualifying capital		
Share capital	15,255,080	6,215,391
Cummulative irredeemable preference capital	8,022,905	8,022,905
Cummulative redeemable preference capital	23,385,829	23,385,829
Share premium	10,668,787	1,016,924
Retained earnings	100,872,647	54,299,026
Qualifying capital	**158,205,248**	**92,940,076**
Notional amount guaranteed		
Amount guaranteed	220,538,691	196,840,233
Re-guarantee (USAID) & ATI and ATIDI	(64,587,499)	(10,723,071)
Accrued interest	4,255,474	4,084,218
Credit risk mitigant/reserve account	(11,967,210)	(10,233,549)
Notional amount guaranteed	**148,239,455**	**179,967,831**
Gross capital leverage ratio - Equity	**1.42**	**2.16**
Net capital leverage ratio - Equity	**0.94**	**1.94**

Other Information - Other National Disclosures

Other national disclosures

Value added statement

In thousands of Naira	31 December 2024	%	31 December 2023	%
Gross income	77,666,502	108	55,056,624	105
Bought in goods and services - Local	(5,702,061)	(8)	(2,810,469)	(5)
Value added	**71,964,441**	**100**	**52,246,155**	**100**
Applied to pay:				
Financial statements				
Interest expense	6,674,335	9	3,006,620	6
Employees				
Wages, salaries and other benefits	3,584,625	5	2,059,429	4
Government				
Taxation	698,051	1	668,225	1
Retained in the business				
For replacement of property and equipment and ROU assets (depreciation)	136,551	-	116,014	-
For replacement of computer software (amortisation)	10,382	-	16,721	-
To augment reserves	60,860,497	85	46,379,146	89
Value added	**71,964,441**	**100**	**52,246,155**	**100**
			-	

Other national disclosures

Five Year Financial summary

Statement of Financial Position

In thousands of Naira	*Note*	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Assets:						
Cash and cash equivalents	15	39,013,538	7,702,488	6,319,690	1,760,077	11,587,896
Investment securities	16	257,869,214	157,281,654	72,297,037	67,040,896	49,586,875
Guarantee fee receivable	17	8,770,252	8,674,785	6,521,354	4,558,673	3,298,324
Trade and other receivables	18	1,936,297	608,386	265,884	230,299	222,328
Prepayments	19	346,076	246,818	57,535	60,511	-
Financial statements	20	423,466	281,109	246,203	227,711	199,138
Right of use asset	21	277,086	129,552	151,450	173,347	195,244
Intangible assets	22	124,464	128,843	62,190	43,854	50,851
Deferred tax asset	24	483,602	380,461	483,821	320,112	295,608
Total assets		**309,243,995**	**175,434,097**	**86,405,163**	**74,415,480**	**65,436,264**
Liabilities:						
Current tax liability	14(c)	890,381	599,649	99,272	49,030	24,363
Financial guarantee liability	23	10,289,597	10,365,600	7,382,654	5,353,627	3,821,543
Other liabilities	25	3,961,263	2,364,295	1,732,185	84,225	126,413
Employee benefit obligation	26	1,417,937	934,856	255,664	-	-
Lease liability	27	64,803	122,196	104,155	1,092,025	845,720
Unsecured subordinated long term loan	30	134,414,766	68,107,426	32,986,699	30,333,140	28,613,973
Total liabilities		**151,038,747**	**82,494,022**	**42,560,630**	**36,912,047**	**33,432,012**
Net assets		**158,205,248**	**92,940,075**	**43,844,533**	**37,503,433**	**32,004,252**
Capital and reserves:						
Ordinary share capital	28	15,255,080	6,215,391	3,497,637	3,497,637	2,974,785
Irredeemable preference share capital	28(b)	8,022,905	8,022,905	113,945	8,022,905	8,022,905
Redeemable preference share capital	28(c)	23,385,829	23,385,829	8,022,905	20,281,503	18,841,917
Deposit for shares	28(e)	-	-	-	113,945	426,819
Share premium	28(e)	10,668,787	1,016,924	-	426,819	19,832
Retained earnings	29	100,872,647	54,299,026	10,294,981	5,160,624	1,717,994
Total shareholders' funds		**158,205,248**	**92,940,075**	**43,844,533**	**37,503,433**	**32,004,252**

Statement of profit or loss and other comprehensive income

Income statement					
Operating income	67,921,695	50,511,440	8,830,619	5,281,478	4,068,943
Operating expenses	(6,363,147)	(3,464,069)	(2,552,004)	(1,814,021)	(1,602,383)
Profit before minimum tax and income tax expense	61,558,548	47,047,371	6,278,615	3,467,457	2,466,560
Minimum taxation	-	(61,112)	(36,472)	(14,484)	-
Profit after minimum tax	61,558,548	46,986,259	6,242,143	3,452,973	2,466,560
Tax charge/(credit)	(698,051)	(607,113)	100,607	(10,343)	240,591
Profit for the year	**60,860,497**	**46,379,146**	**6,342,749**	**3,442,630**	**2,707,151**

Other Information - Supplementary Financial Information

Other information - Supplementary financial information
Statement of financial position
As at:

	Note	31 December 2024	31 December 2023
		$'000	$'000
Assets			
Cash and cash equivalents	9	25,187	8,075
Investment securities	10	166,474	165,248
Guarantee fee receivable	11	5,662	9,114
Trade and other receivables	12	1,250	639
Prepayments	13	223	259
Property and equipment	14	272	296
Right of use asset	15	179	136
Intangible asset	16	80	135
Deferred tax asset	18	312	400
Total assets		**199,639**	**184,302**
Liabilities			
Current tax liability	8(c)	575	630
Financial guarantee liability	17	6,643	10,891
Other liabilities	19	2,557	2,484
Employee benefit obligation	20	915	982
Lease liability	21	42	128
Unsecured subordinated long term loans	24	86,775	71,557
Total liabilities		**97,507**	**86,672**
Equity			
Ordinary share capital	22(a)	17,920	12,131
Irredeemable preference share capital	22(b)	22,250	22,250
Redeemable preference share capital	22(c)	59,467	59,467
Share premium	22(e)	7,409	1,228
Retained earnings	23	7,892	8,129
Translation reserves	25	(12,806)	(5,574)
Total equity		**102,132**	**97,630**
Total liabilities and equity		**199,639**	**184,302**

Other information - Supplementary financial information

Statement of profit or loss and other comprehensive income
For the year ended:

	Note	31 December 2024	'31 December 2023
		$'000	$'000
Gross revenue		**17,991**	**18,815**
Guarantee fee income	1	3,481	5,410
Guarantee fee expenses	2	(1,006)	(988)
		2,475	4,422
Interest income	3(a)	14,510	13,405
Interest expense	3(b)	(4,462)	(4,628)
Impairment loss on financial instruments	4	(1,046)	(1,382)
Other income	5	14	-
		11,491	**11,817**
Personnel expenses	6(a)	(2,396)	(3,155)
Depreciation of property and equipment	14	(71)	(144)
Depreciation of right of use asset	15	(21)	(34)
Amortisation of intangible asset	16	(7)	(26)
Other operating expenses	7	(1,759)	(1,914)
		(4,254)	**(5,273)**
Profit before minimum tax and income tax expense		**7,237**	**6,544**
Minimun tax	8(a)	-	(94)
Profit after minimum tax and income tax expense		**7,237**	**6,450**
Tax expense	8(a)	(466)	(935)
Profit for the year		**6,771**	**5,515**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference	25(b)	(7,232)	(4,487)
Total comprehensive profit		**(461)**	**1,028**

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

Other information - Supplementary financial information
Statement of changes in equity
For the year ended 31 December 2024

	Note	Share capital	Irredeemable preference capital	Redeemable preference capital	Share premium	Translation reserve	Retained earnings	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2024`		**12,131**	**22,250**	**59,467**	**1,228**	**(5,574)**	**8,129**	**97,630**
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	6,771	6,771
Other Comprehensive income	25 b	-	-	-	-	(7,232)	3,710	(3,522)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(7,232)**	**10,481**	**3,249**
Transactions with owners of company:								
Issue of additional Ordinary shares	22 c	5,790	-		6,195		-	11,985
Transaction cost relating to issue of shares					(14)			
Payment of preference dividend	22 c	-	-	-		-	(9,205)	(9,205)
Payment of ordinary dividend	22 c		-		-	-	(309)	(309)
Ordinary dividend declared	29 b						(1,204)	
Total comprehensive income for the year		**5,790**	**-**	**-**	**6,181**		**(10,718)**	**1,253**
Balance at 31 December 2024		**17,920**	**22,250**	**59,467**	**7,409**	**(12,806)**	**7,892**	**102,132**
Balance as at 1 January 2023		**9,275**	**22,250**	**57,922**	**280**	**(1,087)**	**5,767**	**89,992**
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	5,515	5,515
Other Comprehensive income	25 b	-	-	-	-	(4,487)	(1,577)	(6,064)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(4,487)**	**3,938**	**(549)**
Transactions with owners of company:								
Issue of additional shares		2,855	-	-	-	-	-	-
Issue of redeemable preference shares		-	-	1,545	1,058	-	-	2,855
Increase in share premium		-	-	-	-	-	(1,577)	1,027
Total comprehensive income for the year		**2,855**	**-**	**1,545**	**1,058**	**-**	**(1,577)**	**3,882**
Balance at 31 December 2023		**12,131**	**22,250**	**59,467**	**1,228**	**(5,574)**	**8,129**	**97,630**

Other information - Supplementary financial information
Statement of cash flows
For the year ended

In thousands of US Dollars	Notes	31 December 2024	31 December 2023
		$'000	$'000
Cash flow from operating activities:			
Profit after tax		6,771	5,515
Minimum tax	8(a)	-	94
Tax charge	8(a)	466	935
Profit before tax		7,237	6,544
Adjustment for:			
Depreciation of property and equipment	14	71	144
Depreciation of right of use asset	15	21	34
Amortisation of intangible asset	16	7	26
Impairment loss on financial instruments	4	1,046	1,382
Interest income	3(a)	(14,510)	-
Interest expense	3(b)	4,254	4,435
Gain on sale of property, plant and equipment	5	(14)	-
		(1,888)	(841)
Changes in:			
Trade and other receivables	29(c)	(1,157)	(450)
Prepayments	29(q)	(66)	(291)
Guarantee fee receivable	29(d)	(62)	(2,263)
Financial guarantee liability	29(b)	(49)	3,134
Lease liability	29(o)	11	28
Employee benefit obligation	29(r)	(231)	-
Other liabilities	29(e)	(101)	664
		(1,655)	822
Interest received	29(ai)	14,510	9,076
Tax paid	8(c)	(341)	(99)
Net cash flows generated from operating activities		**10,626**	**8,958**
Cash flow from investing activities:			
Acquisition of property and equipment	29(j)	(161)	(136)
Proceeds from disposal of property and equipment	27(j)	-	-
Acquisition of intangible asset	29(k)	(4)	(88)
Redemption/(Acquisition) of investment securities	29(a)	(2,518)	(7,023)
Net cashflows generated from/(used in) investing activities		**(2,683)**	**(7,247)**
Cash flow from financing activities:			
Proceed from issue of share capital	22(a)	5,790	-
Share premum arising from issue of shares		6,195	-
Transaction cost on to issue of shares		(14)	
Interest paid	29(m)	(4,025)	(6,074)
Preference dividend paid	(s)	(9,205)	
Ordinary dividend paid	(s)	(309)	2,855
Proceeds from borrowings	(m)	14,860	-
Principal lease payments	(o)	(154)	-
Net cashflows used in financing activities		**13,137**	**(3,219)**
Increase in cash and cash equivalents		21,080	(1,508)
Cash and cash equivalents at beginning of the year	9	8,092	13,135
Effect of movement in exchange rates on cash held	29(t)	(3,958)	(3,535)
Cash and cash equivalents at the end of the period	9	**25,214**	**8,092**

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

Other information - Supplementary financial information

1 Guarantee fee income

In thousands of Dollars	31 December 2024	31 December 2023
Mandate fees (a)	77	205
Guarantee fees (b)	2,754	4,308
Monitoring fees (c)	650	897
	3,481	**5,410**

(a) Amount represents the fees earned from clients for the preliminary analysis and due diligence done by the Company for providing guarantees for the issued and proposed infrastructure bonds.

(b) Amount represents the amortized portion of the non-refundable fee calculated as a percentage of the guaranteed amount earned from customers. See Note 27 for breakdown of all guarantees issued.

(c) Amount represents the amortized portion of fixed non-refundable annual fees for providing monitoring services for guarantees issued.

2 Guarantee fee expense

In thousands of Dollars	31 December 2024	31 December 2023
Guarantee fee expense (a)	104	300
Re-guarantee fee expense (a)	429	140
Upfront fee expense (a)	18	5
Monitoring fee expense (a)	24	16
Due diligence/project development expense (b)	57	528
Guarantee consultancy expenses	375	-
	1,006	**988**

(a) Amount represents the fees earned from clients for the preliminary analysis and due diligence done by the Company for providing guarantees for the issued and proposed infrastructure bonds.

(b) Amount represents the amortized portion of the non-refundable fee calculated as a percentage of the guaranteed amount earned from customers. See Note 32 for breakdown of all guarantees issued.

(c) Amount represents the amortized portion of fixed non-refundable annual fees for providing monitoring services for guarantees issued.

3 Net investment income

	In thousands of Dollars	31 December 2024	31 December 2023
(a)	**Interest income**		
	Bank placements	1,399	867
	Eurobonds	12,447	12,278
	FGN Bonds	358	261
	Treasury bills	306	-
		14,510	**13,405**

The total interest income calculated using the effective interest rate (EIR) method for financial assets at amortised cost is USD 14.5 million (2023: USD 13.4 Million).

(b)	**Interest expense**		
	Interest expense long-term unsecured subordinated loans	4,254	4,407
	Interest expenses leased liabilities (see note 15)	11	28
	Investment management fee expenses	196	193
		4,462	**4,628**
	Net interest income (a)-(b)	**10,048**	**8,777**

The total interest expense calculated using the effective interest rate (EIR) method for financial liabilities measured at amortised cost is USD 4.2 Million (2023: USD 4.6 Million).

4 Impairment charge on financial instruments

In thousands of Dollars	31 December 2024	31 December 2023
Investment securities (see note 10a)	719	1,241
Other receivables (see note 12b)	310	133
Cash equivalents (see Note 9b)	17	7
	1,046	**1,382**

Other information - Supplementary financial information

5 Other Income

In thousands of Dollars	31 December 2024	31 December 2023
Gain on sale of property, plant and equipment	14	-

6 Personnel expenses

(a) Employee costs, including those of executive directors, during the period amounted to:

In thousands of Dollars	31 December 2024	31 December 2023
Wages and salaries	725	850
Short term incentive scheme (see note 20)	253	649
Other staff costs	1,108	1,025
Long term incentive scheme (see note 20)	187	397
Pension cost	123	234
	2,396	**3,155**

(i) Other staff cost relates to medical cost, employee car allowance, executive allowance, staff lunch, staff welfare, PAYE, NHF, NSITF levies, and other staff benefits.

(b) The average number of persons in employment in the Company during the year comprise:

	31 December 2024	31 December 2023
Managerial	20	19
Other staff	15	13
	35	**32**

(c) Employees, other than Directors, earning more than USD 2,000 per annum (excluding pension and other benefits), whose duties were wholly or mainly discharged in Nigeria, received remuneration in the following ranges:

	31 December 2024	31 December 2023
USD 10,000 - USD 20,000	6	7
USD 20,000 - USD 50,000	21	13
USD 50,000 and above	8	12
	35	**32**

(d) Directors' remuneration

Remuneration paid to Directors of the Company (excluding pension contributions and other benefits) was as follows:

In thousands of Dollars	31 December 2024	31 December 2023
Fees	370	434
Total	**370**	**434**

The emoluments of all Non-Executive Directors fell within the following ranges:

	31 December 2024	31 December 2023
USD 20,000 and above	9	9

7 Other operating expenses

In thousands of Dollars	31 December 2024	31 December 2023
Directors remuneration (Non-executive)	370	434
Marketing and advertising	58	92
Stationery and printing	6	22
Traveling and entertainment	249	217
Auditors remuneration	26	59
Information technology expenses	175	100
Training expenses	282	164
Administration and membership fees	48	32
Professional fees (See note (a) below)	239	439
Maintenance expenses	21	23
Insurance expenses	36	82
Utility and electricity	31	40
Other expenses (See note (b) below)	219	210
	1,759	**1,914**

Other information - Supplementary financial information

7 Other operating expenses

(a) Professional fees

In thousands of Dollars	31 December 2024	31 December 2023
Legal and secretarial fees	67	77
Other professional fees (see note i below)	102	262
HR consultancy	2	17
Credit rating expenses	68	84
	239	**439**

(i) Included in the other professional fees is an amount of USD 6.9 thousand. This amount represents the total fees earned by the Company's Auditor on the provision of non-audit services during the period.

(b) Other expenses

In thousands of Dollars	31 December 2024	31 December 2023
Bank charges	10	9
Board meeting expenses	36	38
Recruitment costs	7	-
ITF levy	16	20
Lunch expenses	5	20
Development impact expenses	18	28
Other expenses (i)	126	96
	219	**210**

(i) other expenses relate to office maintenance expenses, lunch expenses and VAT.

8 Taxation

(a) Tax Credit

In thousands of Dollars	31 December 2024	31 December 2023
i *Minimum tax*		
Minimum tax	-	94
	-	94
ii Current tax		
Company income tax	108	-
Education tax	14	48
Information technology tax	412	724
Police Trust Fund levy	2	4
Current income tax expense (See note 9 c)	**535**	**776**
iii Deferred tax		
Deferred tax expense/(credit) (see note 18)	(69)	159
Income tax expenses/(credit)	**466**	**935**
Total income tax expenses/ (credit)	**466**	**1,029**

The applicable tax rates for companies income tax, tertiary education tax and information technology tax are 30%, 3% and 1% respectively.

(b) Reconciliation of effective income tax rate

	31 December 2024		31 December 2023	
In thousands of Dollars	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	7,237		6,544	
Income tax @ 30% tax rate	2,171	30%	1,963	30%
Non-deductible expenses	1,533	21%	2,091	32%
Education tax	14	0%	48	1%
Tax exempt income	(13,741)	-190%	(23,341)	-357%
Information technology tax (see note 8(a))	412	6%	724	11%
Tax losses	-	0%	-	0%
Nigeria Police Trust Fund Levy (see note 14a)	2	0%	-	0%
Company income tax/Minimum Tax	108	1%		0%
Effect of movement in exchange rate	(249)	0%	(356)	0%
Recognition of additional deductible temporary difference	(207)	-3%	159	2%
	(9,957)	**-134%**	**(18,708)**	**-280%**

Other information - Supplementary financial information

(c) Current tax liability

In thousands of Dollars	31 December 2024	31 December 2023
Balance as at 1 January	630	215
Charge for the period see note 8(a):		
Minimum tax	-	94
Current tax	535	776
Payment during the period	(341)	(99)
Effect of movement in exchange rate	(249)	(356)
At end of year	**575**	**630**

9 Cash and cash equivalents

In thousands of Dollars	31 December 2024	31 December 2023
Cash in hand	-	-
Cash Equivalents:		
Balances with banks	4,620	2,635
Bank placement	20,594	5,457
Cash equivalents (gross)	25,214	8,092
Impairment allowance on cash equivalents (see note (a) below)	(27)	(17)
Cash equivalents (net)	25,187	8,075
Cash and cash equivalents in the statement of financial position	**25,187**	**8,075**
Impairment allowance on cash equivalents (see note (a) below)	27	17
Cash and cash equivalents in the statement of cash flows	**25,214**	**8,092**
Current	**25,187**	**8,075**

(a) The movement in impairment allowance on cash and cash equivalents is as follows:

In thousands of Dollars	31 December 2024	31 December 2023
Opening balance	17	24
Recognised in income statement (See note 4)	17	7
Effect of movement in exchange rate	(7)	(14)
Closing balance	**27**	**17**

10 Investment securities

In thousands of Dollars	31 December 2024	31 December 2023
FGN Eurobonds at amortised cost (i)	148,154	132,941
Corporate Eurobonds at amortised cost (i)	15,012	28,680
Treasury bills	2,145	-
FGN Bonds (ii)	2,740	5,065
	168,051	166,685
Impairment allowance on investment securities (see note (a) below)	(1,577)	(1,437)
Investment securities	166,474	165,248
Current	71,011	99,477
Non-Current	95,463	65,771
Total	**166,474**	**165,248**

(i) FGN and Corporate Eurobonds have stated yields of 6.5% to 9.5% respectively, and mature in six months to seven years (December 2023: five month to nine
(ii) FGN Bonds have stated yields of 12.5% to 16.4% and mature in a year to five years (December 2023: a month to six years).

The movement in impairment allowance on investment securities is as follows:

(a)

In thousands of Dollars	31 December 2024	31 December 2023
Opening balance	1,437	1,218
Recognised in income statement (See note 4)	719	1,241
Effect of movement in exchange rate	(579)	(1,022)
Closing balance	**1,577**	**1,437**

Other information - Supplementary financial information

11 Guarantee fee receivable

In thousands of Dollars	31 December 2024	31 December 2023
Opening Balance	9,114	14,143
Present value of guarantee fee received	(1,663)	(2,440)
Addition during the period	1,725	4,702
Effect of movement in exchange rate	(3,514)	(7,291)
Gross guarantee fee receivable	5,662	9,114
Impairment allowance	-	-
Guarantee fee receivable (see (a) below)	5,662	9,114
Current	1,142	1,722
Non-current	4,520	7,393
Total	**5,662**	**9,114**

(a) Amount represents the present value of guarantee fees receivable under the contracts undertaken by the Company to provide financial guarantee contracts. See Note 25 for the guarantees issued by the Company.

12 Trade and other receivables

In thousands of Dollars	31 December 2024	31 December 2023
Other financial assets		
Trade receivable (a)	1,632	871
Other receivables (b)	60	2
	1,692	873
Impairment (see note (c) below)	(447)	(240)
	1,245	633
Non financial assets		
Cash advance	5	6
	5	6
Total- Other assets	**1,250**	**639**
Current	1,250	639
Non-Current	-	-
Total	**1,250**	**639**

(a) Trade receivables relates to unpaid mandate and guarantee fees billed to clients and preliminary due diligence cost borne by Infracredit and to be refunded by clients. The average credit period is 30 days. No interest is charged on outstanding trade receivables.

(b) Other receivables relates to receivable from a KfW Technical Assistant Facility on various expenses relating to Clean Energy, and African Property Investment Summit initially borne by Infracredit.

(c) The movement in impairment allowance on other assets is as follows:

In thousands of Dollars	31 December 2024	31 December 2023
Opening balance	240	310
Recognised in income statement (See note 4)	310	133
.	(103)	(202)
Closing balance	**447**	**240**

13 Prepayments

In thousands of Dollars	31 December 2024	31 December 2023
Prepayments	223	259
Current	**223**	**259**
Non-Current	-	-
Total	**223**	**259**

Other information - Supplementary financial information

14 Property and equipment

In thousands of Dollars	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Leasehold improvement	Total
Cost							
Balance as at 1 January 2023	180	228	149	360	4	283	1,204
Additions	18	18	2	86	1	11	136
Disposals	-	-	(2)	-	-	-	(2)
Effect of movement in exchange rate	(93)	(118)	(76)	(185)	(2)	(145)	(619)
Balance as at 31 December 2023	**105**	**128**	**73**	**261**	**3**	**149**	**719**
Balance as at 1 January 2024	105	128	73	261	3	149	719
Additions	34	44	1	60	21	1	161
Write off					(1)		(1)
Transfer from WIP	1	-	1	-	(1)	-	1
Effect of movement in exchange rate	(41)	(50)	(29)	(102)	(1)	(58)	(281)
Balance as at 31 December 2024	**99**	**122**	**46**	**219**	**21**	**92**	**599**
Accumulated depreciation							
Balance as at 1 January 2023	102	170	121	203	-	75	671
Depreciation for the year	26	26	14	56	-	22	144
Disposal	-	-	(2)	-	-	-	(2)
Effect of movement in exchange rate	(61)	(96)	(66)	(122)	-	(46)	(391)
Balance as at 31 December 2023	**67**	**100**	**67**	**137**	**-**	**51**	**423**
Balance as at 1 January 2024	67	100	67	137	-	51	422
Depreciation for the year	14	11	2	34	-	10	71
Effect of movement in exchange rate	(27)	(39)	(26)	(54)	-	(20)	(166)
Balance as at 31 December 2024	**54**	**72**	**43**	**117**	**-**	**41**	**327**
Carrying amounts							
Balance as at 31 December 2023	**38**	**28**	**6**	**124**	**3**	**98**	**296**
Balance as at 31 December 2024	**45**	**50**	**3**	**102**	**21**	**51**	**272**

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2023:Nil).
(ii) There were no impairment losses on any class of property and equipment during the year (2023:Nil).
(iii) There are no restriction on the Company's title to its property and equipment during the year (2023:Nil).
(iv) All property and equipment are non-current assets.

Other information - Supplementary financial information

15 Right of use asset

In thousands of Dollars	31 December 2024	31 December 2023
Cost		
Balance as at beginning of the year	230	475
Addition to right-of-use asset	188	-
Derecognition of to right-of-use asset	(141)	-
Effect of movement in exchange rate	(89)	(245)
Balance at end of the year	188	230
Accumulated Depreciation		
Balance as at beginning of the year	94	146
Charge for the year	21	34
Derecognition of accumulated depreciation on right-of-use asset	(68)	
Effect of movement in exchange rate	(38)	(86)
Balance at end of the year	9	94
Carrying amount	**179**	**136**

Amounts recognised in profit or loss	**31 December 2024**	**31 December 2023**
Interest on lease liabilities	11	28
Depreciation charge of right-of-use assets	21	-
Current	-	-
Non-Current	179	**136**

During the year, there was a cash outflow of USD 140 thousand in respect to the lease and USD 14 thousand of withholding tax on the lease payment in the period (2023: Nil).

16 Intangible assets

Purchased software

In thousands of Dollars	31 December 2024	31 December 2023
Cost		
Balance as at beginning of the year	197	227
Additions	4	88
Effect of movement in exchange rate	(76)	(118)
Balance at end of the year	125	197
Accumulated Amortisation		
Balance as at beginning of the year	62	92
Charge for the year	7	26
Effect of movement in exchange rate	(24)	(56)
Balance at end of the year	45	62
Carrying amount	**80**	**135**

All intangible assets are non-current. The Company does not have internally generated intangible assets.
The Company's intangible assets are not impaired.
No commitment in respect of the Company's intangible assets.

17 Financial guarantee liability

In thousands of Dollars	31 December 2024	31 December 2023
Opening balance	10,891	16,011
Amortised guarantee liability during the year	(2,659)	(2,468)
Addition during the year	2,610	5,602
Effect of movement in exchange rate	(4,199)	(8,254)
Financial guarantee liability	6,643	10,891
Current	1,880	1,960
Non-current	4,763	8,930
	6,643	**10,891**

Financial guarantee liability represents the present value of guarantee fees receivable less the cumulative amount of guarantee fee income recognised. See Note 27 for the guarantees issued by the Company.

18 Deferred tax asset

In thousands of Dollars	31 December 2024	31 December 2023
Property and equipment	(105)	(87)
Tax losses	-	-
Allowance for expected credit losses	417	487
	312	**400**

Deferred taxes are calculated on all temporary differences under the liability method using a statutory tax rate of 33% (2023: 30%).

(a) Movements in temporary differences during the year:

In thousands of Dollars	1 January 2024	Recognised in profit or loss	Effect of movement in exchange rate	31 December 2024
Property and equipment	(87)	(53)	36	(105)
Tax losses	-	-	-	-
Allowance for expected credit losses & other deferred tax items	487	122	(192)	417
	400	**69**	**(156)**	**312**

Other information - Supplementary financial information

(b) Movements in temporary differences 1 January 2023 to 31 December 2023:

In thousands of Dollars	1 January 2023	Recognised in profit or loss	Effect of movement in exchange rate	31 December 2023
Property and equipment	129	(219)	3	(87)
Tax losses	742	(526)	(216)	-
Allowance for expected credit losses & other deferred tax items	158	586	(257)	487
	1,029	**(159)**	**(470)**	**400**

19 Other liabilities

In thousands of Dollars	31 December 2024	31 December 2023
Financial liabilities		
Due to GuarantCo (see note (i) below)	-	354
Accruals (see note (ii) below)	473	975
	473	**1,329**
Non financial liabilities		
Statutory deductions payables (see note iii below)	533	520
Output VAT	100	125
Deferred revenue	320	393
Dividend payable (see note iv below)	1,131	
	2,084	**1,038**
Total - Other Liabilities	**2,557**	**2,367**
Current	2,557	2,130
Non current	-	354
	2,557	**2,367**

(i) This represents guarantee fee payable in respect of callable capital provided by GuarantCo now cancelled.
(ii) This represents the payables in respect of services rendered to the Company by different professional services firms and vendors.
(iii) This represents statutory deductions payable to the Governments such as Pay As You Earn(PAYE), pension, Nigeria Social Insurance Fund (NSITF), National Housing Fund (NHF) and Withholding Tax (WHT).
(iv) This represents ordinary dividend (net of WHT) declared during the year to all ordinary shares ranking for dividends for the interim period ended 30 June 2024.

20 Employee benefit obligation

In thousands of Dollars	31 December 2024	31 December 2023
Long term incentive scheme (see note i below)	489	540
Employee liabilities (see note ii below)	117	117
Short term incentive scheme (see note iii below)	309	443
	915	**1,100**

(i) Effective from 1 January 2024, the Long-term incentive (LTI) scheme represents a long-term bonus scheme instituted for all currently employed permanent employees on the level of Vice President (VP) – Chief Executive Officer (CEO) level with at least five (5) year of service and no pending disciplinary action. The annual LTI award is computed as 2.5% of profit before tax for the year after deducting net unrealized exchange gains, if all required targets are met. The deferral year is set at 3 years, at the end of which, employees may cash out or choose to hold their award for longer. Pay-outs from the plan will be taxed according to the applicable tax laws in the Federal Republic of Nigeria.

In thousands of Dollars	31 December 2024	31 December 2023
Opening Balance	540	554
Accruals during the year	187	397
Payment during the year	(24)	-
Effect of movement in exchange rate	(214)	(411)
	489	**540**

(ii) This represents performance pay provisions, vacation allowance, car allowance, mortgage subsidy allowance and provisions for other staff benefits.
(iii) Prior to 1 January 2024, the STI computation was based on 10% of profit before tax. Effective from 1 January 2024, the STI award related computation varies from 3.5% - 7.5% of profit before tax after adjustment for net unrealized exchange differences depending on meeting the key performance indicators (KPIs) agreed with the Board. Payment of the STI is at the full discretion of the Board. It was applied retrospectively to 2023.

In thousands of Dollars	31 December 2024	31 December 2023
Opening Balance	443	-
Accruals during the year	253	649
Payment during the year	(207)	-
Effect of movement in exchange rate	(179)	(206)
	309	**443**

21 Lease liabilities

In thousands of Dollars	31 December 2024	31 December 2023
Opening Balance	128	226
Addition to lease liabilities	102	-
Lease payment	(154)	-
Interest on lease liabilities	11	28
Effect of movement in exchange rate	(44)	(126)
	42	**128**

The above lease is a 5 year lease effective November 2019, with an option to extend for another 5 years. During the year 2024, the Company recognised a gain of USD14 thousand (2023:nil) on derecognition of the right-of-use asset and presented the gain as part of 'Gain on sale of property, plant and equipment'. See note 5. Management also entered into a new lease for a 5 year period from October 2024 to September 2029 and has prepaid for three (3) years.

In thousands of Dollars	31 December 2024	31 December 2023
Non-current	42	94
Current	-	34
	42	**128**

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Company's Finance function.

Other information - Supplementary financial information

		31 December 2024	31 December 2023
22	**Share capital** *In thousands of Dollars*	**31 December 2024**	**31 December 2023**
(a)	**Authorised**		
	50,255,079,725 shares of USD 0.003284 each (2023: 50,000,000,000 shares of USD 0.003284 each)	**165,041**	**164,204**
	Ordinary shares		
	Issued and fully paid		
	15,255,079,725 shares of USD 0.002652 each (2023: 6,215,390,843 shares of USD 0.002652 each)		
	Movement in the year		
	Opening balance	12,131	9,275
	Issue of ordinary shares	5,790	2,855
		17,920	**12,131**
(b)	**Authorised, issued and fully paid irredeemable preference shares**		
	Preference Shares (irredeemable)	**22,250**	**22,250**

Irredeemable preference shares have no repayment date and there is no obligation on the part of the Company to repay the capital. Dividend payment on irredeemable preference shares is discretionary based on the

		31 December 2024	31 December 2023
	Preference shares (redeemable)		
(c)	**Authorised, issued and fully paid redeemable preference shares**		
	Opening balance	59,467	57,921
	Capitalisation of preference dividends (see note 23 a)	-	1,545
		59,467	**59,467**

There were no issues of preference shares or capitalization of preference shares during the year.
At the Board Meeting of the Company, held on 27 March 2023, the Board approved the declaration and capitalization of dividend of USD 1,576 thousand (USD 1,545 thousand net WHT); NSIA: USD 547 thousand (exempted from WHT), AFC: USD 715 thousand (exempted from WHT), InfraCo: USD 288 thousand (i.e. USD 258 thousand net of WHT of 10%) and Leadway USD 26 thousand (i.e. USD 23 thousand net of WHT of 10%).

The terms of the redeemable preference shares confer on the Company the discretion to use its best effort to provide an exit option for AFC and InfraCo Africa Investment Limited and Leadway Assurance as soon as practicable. Dividend payment on redeemable preference shares is discretionary based on the recommendation of the Board and subject to the approval of the shareholders. Redemption is solely at the option of the Company.

(d) In December 2016, the Company signed a Callable capital Funding Facility Agreement of USD50,000,000 Naira equivalent with GuarantCo Limited.
The Callable Capital Funding Facility Agreement with GuarantCo Limited (the "Callable Capital") was the unfunded second loss component of the Company's capital structure and acted as a liquid credit backstop to the Company's paid in share capital (the "Core Capital"). The Callable Capital was a 15-year unconditional and irrevocable obligation of GuarantCo and could be called on demand by the Company to replenish the Company's Core Capital if at any time the Company determines that as a result of actual or expected credit losses on its guaranteed portfolio, its Core Capital will become impaired by 80%. The Callable capital agreement became effective on 12 December 2017 and USD25 million was available based on the terms of the agreement while the balance of USD 25 million cancelled in 2021. On 30th June 2024, the outstanding balance of USD25 million was also cancelled.

31 December 2024

	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589
Africa Finance Corporation (AFC)	4,360,193,641	9,952,067,699	14,312,261,340
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139
	15,255,079,725	**31,408,731,931**	**46,663,811,656**
Shares held in trust:			
United Capital Trustees Limited (UCTL)	-	3,591,268,069	3,591,268,069
	15,255,079,725	**35,000,000,000**	**50,255,079,725**

31 December 2023

	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	1,239,493,751	10,187,280,172	11,426,773,923
Africa Finance Corporation (AFC)	1,239,493,751	9,952,067,699	11,191,561,450
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	9,807,852,155	11,022,556,031
Leadway Assurance Company Limited	640,493,326	1,461,531,905	2,102,025,231
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139
	6,215,390,843	**31,408,731,931**	**37,624,122,774**
Shares held in trust:			
United Capital Trustees Limited (UCTL)	8,784,609,157	3,591,268,069	12,375,877,226
	15,000,000,000	**35,000,000,000**	**50,000,000,000**

During the Board meeting on 29 July 2024, the Board approved the rights issue for the issuance of ordinary shares of 9,039,688,882 (5,278,495,666 ordinary shares to NSIA, 3,120,669,890 ordinary shares to AFC and 640,493,326 ordinary shares to Leadway) to existing shareholders at a price of USD 0.001 per share. Included in the shares issued out were all of the 8,784,609,157 ordinary shares previously held in trust on behalf of the company by United Capital.

On 27 December 2024, the Company increased its share capital from USD 164,204 thousand to USD 165,041 thousand by creation of additional USD 837 thousand ordinary shares of USD 0.0032 each.

On 14 December 2023, AIICO Insurance Plc was admitted as shareholder acquiring 5% shares of 1,881,206,139 units of ordinary shares valued at USD 0.002 per share for a consideration of USD 2,924,749. AIICO Insurance Plc is a publicly quoted company limited by shares, incorporated under the CAMA 2020 and having its registered address at AIICO Plaza, Plot PC 12, Churchgate Street, Victoria Island, Lagos and with registered company number 7340.
Also, during Board meeting on 27 October 2023 the Board approved the payment of ordinary dividends of USD 879 thousand for all ordinary shares ranking for dividends for the interim year ending 31 December 2023. The ordinary dividends were capitalized by issuing additional dividend shares to the beneficiary shareholders.

Other information - Supplementary financial information

(e) Share premium	31 December 2024	31 December 2023
	7,409	1,228

In 2024, 9,039,688,882 units of ordinary shares of USD 0.00064 each were allotted to existing share holders at USD 0.001 per share, giving rise to a share premium of USD 6,195,039. The gross proceed from the issue of shares amounted to USD 11,984,975. See breakdown below.

In 2023, the gross proceeds from the 1,881,206,139 units of ordinary shares allotted to AIICO PLC at USD 0.002 per share were USD 2,924,749.

In thousands of Dollars	Ordinary shares	Share Premium	Total
5,278,495,666 ordinary shares of USD 0.00068 each to NSIA	3,363	3,598	6,961
3,120,669,890 ordinary shares of USD 0.00068 each to AFC	2,013	2,154	4,168
640,493,326 ordinary shares of USD 0.00068 each to Leadway	413	442	856
Gross proceeds	**5,790**	**6,195**	**11,985**

In thousands of Dollars	Ordinary shares	Share Premium	Total
1,881,206,139 ordinary shares of USD 0.0005 each to Aiico	1,976	948	2,925
Gross proceeds	**1,976**	**948**	**2,925**

Movement in the year	31 December 2024	31 December 2023
Opening balance	1,228	280
Addition	6,195	948
Expenses on share issued (see note i below)	(14)	-
Balance at the end of year	**7,409**	**1,228**

(i) Amount relates to transaction cost on aditional share capital issued during the year.

23 Retained earnings

In thousands of Dollars	Total	Total
Balance as at 1 January	8,129	5,767
Preference dividend	(9,205)	(1,577)
Ordinary dividend (See note 23a)	(309)	-
Ordinary dividend declared(See note 23 c)	(1,204)	(919)
	(2,589)	3,272
Profit for the year	6,771	5,515
Translation difference	3,710	(658)
Balance at the end of year	**7,892**	**8,129**

At the 30th Board Meeting of the Company, held on 4 March 2024, the Board approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2022 and 31 December 2023. See below for details (amount includes WHT):

(a) Dividend Paid
At the 30th Board Meeting of the Company, held on 4 March 2024, the Board approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2022 and 31 December 2023. See below for details (amount includes WHT):

31 December 2024

Shareholders	Preference dividend $000	Ordinary dividend $000	Total dividend $000
Nigeria Sovereign Investment Authority (NSIA)	3,129	65	3,194
Africa Finance Corporation (AFC)	4,155	66	4,221
InfraCo Africa Investment Limited (InfraCo)	1,531	50	1,581
Leadway Assurance Company Limited	390	34	424
AIICO Insurance Plc	-	94	94
Total	**9,205**	**309**	**9,513**

(b) Dividend Declared
At the 33th Board Meeting of the Company, held on 11 November 2024, the Board approved the declaration and cash payment of ordinary dividend for existing shareholders for the interim period ended 30 June 2024. See below for details (amount includes WHT):

Shareholders	Ordinary dividend $000
Nigeria Sovereign Investment Authority (NSIA)	240
Africa Finance Corporation (AFC)	240
InfraCo Africa Investment Limited (InfraCo)	235
Leadway Assurance Company Limited	124
AIICO Insurance Plc	364
Total	**1,204**

24 Unsecured subordinated long term loans

In thousands of Dollars	31 December 2024	31 December 2023
Unsecured subordinated long-term loan at amortised cost		
Opening	71,557	71,539
Additons (see (i) below	14,860	
Accrued Interest	4,254	4,407
Interest repayment	(4,025)	(6,074)
Effect of movement in exchange rate	129	1,685
	86,775	**71,557**
Current	4,254	4,407
Non-current	82,521	67,150
	86,775	**71,557**

(i) In addition to the USD 26 million, USD 35 million, and USD 10 million unsecured subordinated loans KfW provided in 2019 and 2018 and AfDB in 2020 at simple interest rates of 5.25%, 6%, and 4.07% respectively, Africa Development Bank (AfDB) advanced an unsecured subordinated 10-year loan of USD 15 million at a 7.21% simple interest rate in September 2024. Included in the additions is an amount of USD 140,237 transaction cost on the loan.

Other information - Supplementary financial information

25 Translation reserves

(a) Translation reserves represent foreign currency difference arising from the translation of the results from the functional currency of Naira to the presentation currency of US Dollar.

(b) **Movement in translation reserves**

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		**5,574**	**1,087**
Cash and cash equivalent	29(r)	3,958	3,535
Investment securities	29(a)	4,582	1,663
Financial guarantee liability	29(c)	(8,895)	(8,254)
Trade and other receivables	29(d)	236	254
Prepayments	29(r)	(102)	(32)
Guarantee fee receivable	29(e)	3,514	7,291
Other liabilities	29(f)	(913)	(2,023)
Employee benefit obligation	18(b)	(151)	428
Unsecured Subordinated Capital	29(n)	129	1,685
Property and equipment	29(k)	114	227
Right of use asset	29(m)	64	245
Intangible asset	29(l)	(52)	118
Deferred tax asset	29(o)	157	490
Lease liability	29(p)	(44)	(126)
Current tax liability	29(q)	(249)	(356)
Retained earnings	23	(3,710)	(658)
Share capital		8,072	-
Share premium		522	-
		7,232	4,487
At the end of the year		**12,806**	**5,574**

26 Related parties transactions

(a) **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 associates, joint ventures and the Company's pension schemes, as well as key management personnel.

(i) ***Parent and ultimate controlling party***

Until 20 December 2018, the parent and ultimate controlling party of the Company was Nigeria Sovereign Investment Authority (NSIA). Thereafter, the Company is owned by NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited and Leadway Assurance Company Limited (See Note 9 of Directors' Report for details of shareholdings).

(ii) ***Transactions with related party***

Related party transactions and outstanding balances as at year end are as follows:

Related entity	Nature of transactions	Note	31 December 2024 ($'000)	31 December 2023 ($'000)
Guarantco	Payables - fee accrual in respect of callable capital provided by GuarantCo.	18	-	354

27 Contingent liabilities, litigations and claims

As at 31 December 2024, the Company had issued the following Guarantees which represent contingent liabilities outstanding. See Note 17 for fair values of the Financial guarantees liabilities.

In thousands of Dollars

Client	Guaranteed amount	Outstanding balance Dec 2024	Outstanding balance Dec 2023	*Amount due within 12 months	*Amount due over 12 months	Issue date
Viathan Funding Ltd	6,456	3,372	6,821	956	2,416	15 December 2017 - 14 December 2027
North South Power	5,487	4,660	7,918	239	4,421	28 February 2019 - 27 February 2034
GEL Utility	8,393	7,580	12,842	360	7,219	28 August 2019 - 27 August 2034
Transport Services Ltd (TSL)	7,747	5,810	11,032	968	4,842	6 October 2020 - 5 October 2030
North South Power II	881	368	885	176	192	18 May 2021 - 30 June 2027
Viathan Funding Ltd II	983	492	1,040	197	295	30 September 2021 - 30 March 2028
Lagos Free Zone Company	6,779	6,779	11,032	-	6,779	16 September 2021 - 16 September 2041
GPC Energy and Logistics	12,912	11,915	21,013	1,130	10,785	23 November 2021 - 23 November 2031
LFZC II Funding SPV Plc	16,139	16,139	26,266	-	16,139	10 March 2022 - 16 March 2042
PAN African Towers Limited	6,456	6,217	10,507	526	5,691	2 February 2022 - 2 February 2032
Asiko Power Limited	968	788	1,490	140	648	13 April 2022 - 30 April 2029
Gas Terminalling Ltd	2,260	2,222	3,677	452	1,770	31 October 2022 - 31 October 2029
Darway	516	516	841	77	439	30 September 2022 - 30 September 2029
GLNG	420	420	683	63	357	28 September 2022 - 30 September 2029
Transport Services Ltd (TSL) II	3,228	3,228	-	3,228	-	28 September 2022 - 30 September 2029
GLNG	3,228	3,228	5,253	110	3,118	14th June 2023 - 14th June 2033
Falcon Incorporation Limited	1,937	1,937	3,152	258	1,679	31 May 2023- 30 April 2030
LFZC III Funding SPV Plc	11,298	11,298	18,386	-	11,298	29 March 2023 - 16 March 2043
Victoria Island Power	5,939	5,939	9,666	1,080	4,859	7th June 2023 - 30th June 2030
Hotspot Network Limited	617	617	1,003	44	573	31 July 2023 - 31 July 2030
GLNG III	134	69	187	46	23	31 July 2023 - 30 June 2026
Coleman Technical Industries Limited	6,456	5,918	10,507	1,076	4,842	12th July 2023 - 30 July 2030
Abuja Steel Mill	6,456	6,456	10,507	430	6,025	30 September 2023- 31 August 2030
Victoria Island Power II	2,453	2,453	3,992	2,453	-	19 September 2023 - 31 December 2025
Me Cure Industries Plc III	3,228	3,228	4,203	269	2,959	10 July 2024 - 30 June 2031
Me Cure Industries Plc IV	3,228	3,228	2,627	-	3,228	7 October 2024 - 30 September 2031
Modern Shelter Systems	1,937	1,695	3,152	484	1,210	28 November 2023 to 31 January 2028
Victoria Island Power III	1,937	1,937	3,152	1,937	-	21 December 2023 - 30 June 2025
ACOB Lighting Tecnology Ltd	487	487	793	-	487	31 December 2023 - 31 December 2030
Gas Terminalling II	5,487	5,487	8,930	5,487	-	21 December 2023 - 31 January 2025
GLNG IV	2,582	2,582	-	538	2,044	5 April 2024 - 5 April 2025
GNLG V	3,226	3,226	-	3,228	(2)	29 February 2024 - 28 February 2029
Modern Shelter II	1,614	1,614	-	403	1,210	25 March 2024 - 30 June 2028
Prado Power	1,259	1,259	-	-	1,259	23 April 2024 - 23 April 2025
Falcon Incorporation Limited II	1,291	1,291	-	54	1,237	31 October 2024 - 30 September 2031
Victoria Island Power IV	6,456	6,456	-	6,456	-	30 October 2024 - 30 April 2025
Ladol Integrated Logistics Free Zone Enterprise	819	819	-	82	737	9 December 2024 - 30 June 2030
Viathan Funding Ltd III	646	646		646	-	5 December 2024 - 5 March 2025
	152,341	**142,376**	**201,557**	**33,594**	**108,781**	

Other information - Supplementary financial information

There were no claim against the Company as at 31 December 2024 (2023:Nil) in respect of the issued guarantees.
There was no litigation against the Company during the financial year ended 31 December 2024 (2023: Nil).
Amount due within and over 12 months is not inclusive of interest charged.

28 Events after reporting date

Following the completion of the Rights Issue on December 27, 2024, and the public listing of the Company on December 12, 2024, the Company is currently in the process of listing on the NASD and concurrently raising additional capital through a N27 billion Private Placement.

29 Statement of cash flow notes

(a) Purchase and redemption of investment securities

In thousands of Dollars	Notes	31 December 2024	31 December 2023
At the beginning of the year		165,248	156,793
Interest Income (See note 3)		14,510	13,405
Interest received		(10,501)	(9,076)
Effect of movement in exchange rate		(4,582)	(1,663)
Impairment loss on investment securities (see note 4)		(719)	(1,241)
Closing balance	10	(166,474)	(165,248)
Cash outflow/(inflow)		**(2,518)**	**(7,023)**

(ai) Interest received

In thousands of Dollars		31 December 2024	31 December 2023
Interest receivable on investment securities beginning of the year		-	-
Interest income (see note 3)		14,510	13,405
Interest receivable on investment securities		(3,512)	(73)
Effect of movement in exchange rate		(497)	(4,256)
Cash inflow		**10,501**	**9,076**

(b) Changes in financial guarantee liability

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		10,891	16,011
Net movement (cash outflow)		(49)	3,134
Effect of movement in exchange rate		(4,199)	(8,254)
At the end of the year	17	**6,643**	**10,891**

(c) Changes in trade and other receivables

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		639	576
Impairment loss on other assets (see note 4)		(310)	(133)
Net movement (cash outflow)		1,157	450
Effect of movement in exchange rate		(236)	(254)
At the end of the year	12	**1,250**	**639**

(d) Changes in guarantee fee receivable

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		9,114	14,143
Net movement (cash inflow)		62	2,263
Effect of movement in exchange rate		(3,514)	(7,291)
At the end of the year	11	**5,662**	**9,114**

(e) Changes in other liabilities

In thousands of Dollars		31 December 2024	31 December 2023
Balance at the beginning of the year		2,367	3,843
Dividend payable		1,204	-
Net movement (cash inflow)		(101)	664
Effect of movement in exchange rate		(913)	(2,023)
At the end of the year	19	**2,557**	**2,484**

(f) Movement in ordinary share capital

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year (see note 22)		12,131	9,275
Net movement (net inflow)		5,790	2,855
At the end of the year	22a	**17,920**	**12,131**

(g) Movement in irredeemable preference shares

In thousands of Dollars		31 December 2024	31 December 2023
Irredeemable preference shares at the beginning of the year (see note 22(b))		22,250	22,250
Net movement (net inflow) Dividend capitalisation		-	-
At the end of the year	22b	**22,250**	**22,250**

(h) Movement in redeemable preference shares

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year (see note 22(c))		59,466	57,921
Dividend capitalisation		-	1,545
Issue of redeemable preference shares (see 22 (e))		-	-
At the end of the year	22c	**59,466**	**59,466**

(i) Gain on disposal of property and equipment

In thousands of Dollars		31 December 2024	31 December 2023
Cost (see note 14)		-	2
Accumulated depreciation (see note 14)		-	(2)
Net book value		-	-
Sales proceed		-	-
Gain on disposal of property and equipment		**-**	**-**

(j) Movement in property and equipment

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		296	533
Depreciation		(71)	(144)
Additions		161	136
Disposal		-	(2)
Effect of movement in exchange rate		(114)	(227)
At the end of the year	14	**272**	**296**

Other information - Supplementary financial information

29 Statement of cash flow notes-Continued

(k) Movement in intangible asset

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		135	135
Amortisation		(7)	(26)
Additions		4	88
Reclassification		-	-
Effect of movement in exchange rate		(52)	(62)
At the end of the year	**16**	**80**	**135**

(l) Movement in Right of Use Asset

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		136	329
Charge for the year		(21)	(34)
Additions		-	(56)
Reclassification		-	-
Effect of movement in exchange rate		64	(103)
At the end of the year	**15**	**179**	**136**

(m) Movement in Unsecured Subordinated Capital

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		71,557	71,539
Addition		14,860	-
Interest expenses (see note (3)(b))		4,254	4,407
Repayment (see note 22)		(4,025)	(6,074)
Effect of movement in exchange rate		129	1,685
At the end of the year	**24**	**86,775**	**71,557**

(n) Movement in Deferred Tax Asset

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		400	1,049
Addition		69	(159)
Effect of movement in exchange rate		(157)	(490)
At the end of the year	**18**	**312**	**400**

(o) Movement in Lease Liability

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		128	226
Additions to lease liabilities		102	
Payment		(154)	
Unwinding of discount (see note 3b)		11	28
Effect of movement in exchange rate		(44)	(126)
At the end of the year	**21**	**42**	**128**

(p) Movement in Current Tax Liability

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		630	215
Charge for the year see note 8(a):			
Minimum tax		-	94
Current tax		535	776
Net movement (cash outflow)		(341)	(99)
Effect of movement in exchange rate		(249)	(356)
At the end of the year	**8(c)**	**575**	**630**

(q) Changes in prepayments

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year		259	-
Net movement (cash outflow)		66	291
Effect of movement in exchange rate		(102)	(32)
At the end of the year	**12**	**223**	**259**

(r) Movement in employee benefit

In thousands of Dollars	31 December 2024	31 December 2023
At the beginning of the year	540	554
Accrual	426	397
Net movement (cash outflow)	(231)	-
Effect of movement in exchange rate	64	(411)
At the end of the year	**798**	**540**

(s) Movement in retained earnings

In thousands of Dollars	31 December 2024	31 December 2023
At the beginning of the year	8,129	5,767
Preference dividend paid	(9,205)	
Ordinary dividend paid	(309)	(2,495)
Dividend payable	(1,204)	-
Profit for the year	6,771	5,515
Effect of movement in exchange rate	3,710	(658)
At the end of the year	**7892**	**8129**

(t) Effect of movement in exchange rates on cash held

In thousands of Dollars		31 December 2024	31 December 2023
At the beginning of the year - Translation reserves	25(b)	5,574	1,087
Investment securities	29(a)	4,582	1,663
Financial guarantee liability	29(c)	(8,895)	(8,254)
Trade and other receivables	29(d)	236	254
Prepayments	29(r)	(102)	(32)
Guarantee fee receivable	29(e)	3,514	7,291
Other liabilities	29(f)	(913)	(2,023)
Employee benefit obligation	18(b)	(151)	428
Unsecured Subordinated Capital	29(n)	129	1,685
Property and equipment	29(k)	114	227
Right of use asset	29(m)	64	245
Intangible asset	29(l)	(52)	118
Deferred tax asset	29(o)	157	490
Lease liability	29(p)	(44)	(126)
Current tax liability	29(q)	(249)	(356)
Retained earnings	23	(3,710)	(658)
Share capital		8,072	-
Share premium		522	-
At the end of the year - Translation reserves	25(b)	(12,806)	(5,574)
Effect of movement in exchange rates on cash held		**(3,958)**	**(3,535)**

Other information - Supplementary financial information

30 Financial risk management

(a) Introduction

This note presents information about the Company's exposure to different types of risks, the objectives, systems, policies and processes for identifying, measuring and managing risks, and the Company's management of capital.

The Company's activities expose it to a variety of risks, and those activities principally involve creation of financial assets and liabilities. Risk taking is the core of the company's business and operational risks amongst others are an inevitable consequence of being in the financial services industry.

The Company's aim is to achieve an appropriate balance between risk and return, and minimise potential adverse effects on the Company's financial performances. The Company has therefore built its business around sound risk management practices, so that as it actively seeks opportunities to create value for its clients and stakeholders, there is also a deliberate, concerted effort to preserve value.

The Company has adopted encompassing Risk Management & Guarantee Policies that consider risk from a comprehensive and integrated standpoint.

(b) Risk management objectives

The primary objective of risk management is to ensure efficient risk/return decision-making, reduce volatility in operating performance, improve operational efficiency as well as the quality of service delivery and ensure that the Company's risk profile is transparent to all stakeholders.

Risk Management practices at the Company centre around building a sustainable business where an acceptable risk profile is consistently maintained, given risk capacity and tolerance levels per time.

Therefore, its approach is driven by the following key objectives:

Business sustainability: This represents resiliency over time. It involves the organisation's ability to survive significant internal and external shocks.

Accountability: This represents the directors' obligations to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.

Risk/reward alignment: This is an optimization concept that seeks to achieve maximum possible return for each unit of risk taken.

Operational efficiency: This represents the Company's ability to deliver services in the most cost-effective manner possible while maintaining the highest feasible quality standards.

(c) Risk management framework

The Company's risk management philosophy is premised on the belief that aggressive and yet guarded risk attitude will ensure sustainable growth in shareholders value and corporate reputation. To this end, the Board and Management are committed to establishing and sustaining tested practices in risk management. The Board of Directors determines the Company's goals in terms of risk by issuing a risk policy. The policy both defines acceptable levels of risk for day-to-day operations, as well as the willingness of the Company to incur risk, weighed against the expected rewards.

The risk policy is detailed in the Risk Management & Guarantee Policies, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market, liquidity and operational risks.

The evolving nature of risk management practices necessitates regular review of the effectiveness of each enterprise risk management component. In the light of this, the Company's Risk Management & Guarantee Policies is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in either or both of the following ways:

(i) Continuous self evaluation and monitoring by the Risk Management Unit;
(ii) Independent evaluation and reviews.

The Head, Credit Risk has the primary responsibility for risk management and for the review of the Risk Management & Guarantee Policies. All amendments to the Company's Risk Management & Guarantee Policies require the Board's approval. The unit also has the responsibility to enforce the risk policy of the Company by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

The different risk exposures faced by the Company are summarized into the broad risk categories below;

Risk type	Description	Loss characteristics
Market risk	The risk of loss due to unfavourable movements in the prices of assets.	This could result in loss of value to the Company's investment portfolio.
Credit risk	The risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Company.	This could result in impairment in the Company's credit assets and could invariably affect its short to long-run liquidity needs.
Liquidity risk	The risk that the Company will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption or could hinder normal operations of the Company.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as violent events like natural disaster, fire, flooding, terrorist actions.	This could result in significant business disruption or loss of financial resources of the Company.

(d) Valuation of financial instruments

The Company measures fair values for disclosure purposes using the following fair value hierarchy that reflects the nature and process used in making the measurements:

Level 1: Quoted market price (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 identical or 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: Valuation techniques based on significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

(i) Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. In guaranteeing certain debts of its client companies, the Company also becomes indirectly exposed to the market risks of those companies.

The objective of market risk management is to control and bring market risk exposures within acceptable parameters to ensure the Company's solvency, while optimising the return on risk.

The Company's market risk management practice seeks to achieve an appropriate balance between risks and returns in its investment decisions thereby reducing volatility to its earnings. The Company has no trading financial instruments.

Interest rate risk:

Interest rate risk is the risk of loss in the fair value of investment positions due to unfavourable movements in interest rate spreads. The Company's exposure to interest rate risk is majorly from its financial assets such as money market placements, treasury bills, Eurobonds and financial liabilities such as the unsecured subordinated long term loan from KFW and AFDB.

The investment policy of the Company restricts its investment portfolio to 60% in highly rated/liquid securities with weighted average duration of 2 years and 40% in highly rated/liquid securities with weighted average duration of 5 years.

Other information - Supplementary financial information

The table below summarizes the Company's interest rate gap position, analysed by the earlier contractual re-pricing or maturity date is as follows:

31 December 2024			**Interest bearing instruments**				**Non-interest bearing instrument**
In thousands of Dollars	**Note**	**Carrying amount**	**Less than 3 months**	**3 months - 6 months**	**6 months - 1 year**	**Over 1 year**	
Assets							
Cash and cash equivalents	9	25,187	25,187	-	-	-	-
Investment securities	10	166,474	-	15,012	28,621	122,841	-
Guarantee fee receivable	11	16,439	322	259	562	15,296	
Trade and other receivables	12	1,245	-	-	-	-	1,245
		209,345	25,509	15,271	29,183	138,137	1,245
Liabilities							
Financial guarantee liability	17	6,643	-	-	-	-	
Other liabilities	19(a)	19	-	-	-	-	19
Lease liability	21	42	-	-	-	-	
Unsecured subordinated long term loan	24	86,775	1,180	1,206	3,542	80,847	-
		93,479	1,180	1,206	3,542	80,847	19
Total interest re-pricing gap		**115,866**	**24,329**	**14,065**	**25,641**	**57,290**	**1,226**

Other information - Supplementary financial information

31 December 2023			**Interest bearing instruments**				**Non-interest bearing instrument**
In thousands of Dollars	**Note**	**Carrying amount**	**Less than 3 months**	**3 months - 6 months**	**6 months - 1 year**	**Over 1 year**	
Assets							
Cash and cash equivalents	9	8,075	8,075	-	-	-	-
Investment securities	10	165,248	28,587	34,222	44,643	57,796	-
Guarantee fee receivable	11	9,114	-	-	-	-	9,114
Trade and other receivables	12	633	-	-	-	-	633
		183,070	36,662	34,222	44,643	57,796	9,747
Liabilities							
Financial guarantee liability	17	18,124	-	-	-	-	18,124
Other liabilities	19(a)	1,219	-	-	-		1,219.00
Lease liability	21	128	-	-	-	128	-
Unsecured subordinated long term loan	24	73,618	1,351	37	1,858	71,723	-
		93,089	1,351	37	1,858	71,851	19,343
Total interest re-pricing gap		**90,785**	**37,382**	**15,312**	**18,164**	**22,326**	**(2,271)**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various standard and non-standard interest rate scenarios. An analysis of the Company's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

In thousands of Dollars	**31 December 2024**	**31 December 2023**
Profit or loss & equity		
Increase by 2%	2,098	2,035
Decrease by 2%	(2,098)	(2,035)

(ii) Credit risk

Credit risk is the risk of loss arising from claims on guarantees provided by the Company as a result of default by obligors and also the risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Company. Other key areas where the Company is exposed to credit risk are:

- **Cash and cash equivalents:** The risk of these exposures are tied to the financial health of the Company's banking counterparties.
- **Investment securities:** The risk of this exposure is also tied to the financial health of the counterparty or financial institution.
- **Other assets:** These exposures represent receivables due from clients and related parties.
- **Guarantee fee receivables:** These exposures represent receivables due from Viathan Funding Plc relating to the guarantee fees due from the financial guarantee contract.

Management of credit risk

The Company has instituted a set of credit and investment policies governing underwriting and investment criteria and a robust credit evaluation and approval process in its bid to mitigate credit risk. The following principles form the basis of the Company's credit risk management with respect to its guarantee contracts:

- appropriate risk diversification within its eligible transactions;
- thorough risk assessment at the credit appraisal stage of the guarantee process;
- risk-based pricing and risk mitigation strategies;
- continuous risk monitoring at the individual counterparty level as well as the portfolio level; and
- avoidance of undesirable risks to the extent possible.

The Credit Guarantee Policy of the Company also details the use of other approved credit mitigant facilities such as reinsurance from highly rated counterparties, refinancing creditworthy brownfield eligible infrastructure related assets, co-guaranteeing transactions with other entities, partial guarantees, tranching of debt issuances and guaranteeing the senior debt tranche, non-acceleration of guarantee obligations, guaranteeing long term amortising debt and avoiding 'bullet maturities' and ensuring adequate cover on the nature and type of security package.

The Board of Directors has overall responsibility for all aspects of Risk Management within the Company:

The table below shows the exposure of credit risk based on financial assets held by the Company

In thousand of Dollars	***Note***	**31 December 2024**	**31 December 2023**
Cash and cash equivalents	9	25,187	8,075
Investment securities	10	166,474	165,248
Guarantee fee receivable	11	5,662	9,114
Trade and other receivables	12	1,245	633
Total exposure to credit risk		**198,568**	**183,070**

With respect to proprietary management of investment portfolio, the Company only transacts with financial institutions and other counterparties that are rated the equivalent of investment grade. Where the counterparties have minimum of investment grade rating, they are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Furthermore, although the value of trade receivables are grossly insignificant at the end of the year, the Company reviews the recoverable amount of each trade receivable on an individual basis at the end of the reporting year to ensure that adequate loss allowance is made in line with IFRS 9. In this regard, the directors of the Company consider that the Company's credit risk with respect to trade receivables is significantly reduced. Trade receivables consist of receivables for upfront fees from clients in respect of due diligence on proposed guarantee of infrastructure bonds.

The credit risk on liquid funds is grossly immaterial because the counterparties are banks with high credit-ratings assigned by reputable credit-rating agencies. Thus, no loss allowance was recognized on cash and bank balances at the end of the reporting year.

As noted above, the Company is exposed to credit risk in relation to financial guarantees given to customers which are companies engaged in infrastructure development. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantees are called on. As at 31 December 2024, there was nil expected credit losses (2023: nil).

Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial guarantee contracts. Below shows the nature and value of collaterals held as securities for the guarantee contracts issued as at 31 December 2024:

Other information - Supplementary financial information

Viathan Funding Ltd

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	12,634	15,388
Reserve account (Bank balance)	4	5
Total value of the collateral held	**12,638**	**15,393**
Outstanding value of the guarantee at the end of the year	(4,509)	(7,861)
Excess of collateral over outstanding value of the guarantee	8,129	7,532

Other than the reserve account and bank balances; the valuation for Viathan's assets was undertaken by Jide Taiwo & Co. (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

North South Power (NSP)

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	40,542	76,435
Reserve account (Bank balance)	1,400	2,219
Total value of the collateral held	**41,942**	**78,654**
Outstanding value of the guarantee at the end of the year	(5,028)	(15,836)
Excess of collateral over outstanding value of the guarantee	**36,914**	**62,818**

Other that the reserve account and bank balances; the valuation for NSP's assets was undertaken by Deloitte & Touche (Tope Odukoya- FRC/2012/ICAN/00000000422). This valuation falls in category 3 of the fair value hierarchy.

GEL Utility

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	12,950	21,076
Reserve account (Bank balance)	1,816	2,689
Total value of the collateral held	**14,766**	**23,765**
Outstanding value of the guarantee at the end of the year	(7,580)	(12,842)
Excess of collateral over outstanding value of the guarantee	**7,186**	**10,923**

Other than the reserve account and bank balances; the valuation for GEL Utility's assets was undertaken by Jide Taiwo & Co. (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

Transport Service Limited (TSL)

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	36,198	33,940
Reserve account (Bank balance)	1	254
Total value of the collateral held	**36,199**	**34,194**
Outstanding value of the guarantee at the end of the year	(9,038)	(11,032)
Excess of collateral over outstanding value of the guarantee	**27,161**	**23,162**

Other than the reserve account and bank balances; the valuation for TSL's assets was undertaken by Ubosi Eleh + Company (FRC/2014/NIESV/00000001493). This valuation falls in category 3 of the fair value hierarchy.

Lagos Free Zone Company (LFZC)

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	215,152	350,151
Reserve account (Bank balance)	-	-
Total value of the collateral held	**215,152**	**350,151**
Outstanding value of the guarantee at the end of the year	(34,216)	(37,298)
Excess of collateral over outstanding value of the guarantee	**180,936**	**312,853**

Other than the reserve account and bank balances; the valuation for LFZC's assets was undertaken by Knight Frank (FRC/2013/0000000000584). The valuation report was signed by Sunny Akpodiogaga. This valuation falls in category 3 of the fair value hierarchy.

Collateral held as security and other credit enhancements-Continued

GPC Energy & Logistics Limited

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	26,514	43,150
Reserve account (Bank balance)	465	685
Total value of the collateral held	**26,979**	**43,835**
Outstanding value of the guarantee at the end of the year	(11,915)	(21,013)
Excess of collateral over outstanding value of the guarantee	**15,064**	**22,822**

Other than the reserve account and bank balances; the valuation for GPC's assets was undertaken by Pat Obianwu & Co (FRC/2014/NIESV/00000007136) signed by ESV. Patrick Obianwu. This valuation falls in category 3 of the fair value hierarchy.

Asiko Power Limited

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	6,307	2,759
Reserve account (Bank balance)	265	116
Total value of the collateral held	**6,572**	**2,875**
Outstanding value of the guarantee at the end of the year	(8,497)	(1,490)
Excess of collateral over outstanding value of the guarantee	**(1,925)**	**1,385**

Other than the reserve account and bank balances; the valuation for Asiko's assets was undertaken by Jude Okokor & Co (FRC/2014/NIESV/00000006456). This valuation falls in category 3 of the fair value hierarchy.

Other information - Supplementary financial information

PAN African Towers Limited

In thousands of Dollars	31 December 2024	31 December 2023
Open Market value of property held	23,524	30,477
Reserve account (Bank balance)	817	498
Total value of the collateral held	**24,341**	30,975
Outstanding value of the guarantee at the end of the year	(6,217)	(10,507)
Excess of collateral over outstanding value of the guarantee	**18,124**	**20,468**

Other than the reserve account and bank balances; the valuation for PAN's assets was undertaken by United Capital Investment Banking signed by Babatunde Obaniyi. This valuation falls in category 3 of the fair value hierarchy.

DARWAY COAST

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	1,661	1,681
Reserve account (Bank balance)	1,161	1,728
Total value of the collateral held	**2,822**	**3,409**
Outstanding value of the guarantee at the end of the year	(516)	(841)
Excess of collateral over outstanding value of the guarantee	**2,306**	**2,568**

Other than the reserve account and bank balances; the facility size has been taken as the collateral size.

GLNG

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	10,638	8,119
Reserve account (Bank balance)	734	513
Total value of the collateral held	**11,372**	**8,632**
Outstanding value of the guarantee at the end of the year	(9,527)	(5,936)
Excess of collateral over outstanding value of the guarantee	**1,845**	**2,696**

Other than the reserve account and bank balances; the valuation for GLNG's assets was undertaken and signed by Biodun Odeleye & co. This valuation falls in category 3 of the fair value hierarchy.

ABUJA STEEL MILL

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	20,242	32,942
Reserve account (Bank balance)	106	135
Total value of the collateral held	**20,348**	**33,077**
Outstanding value of the guarantee at the end of the year	(6,456)	(11)
Excess of collateral over outstanding value of the guarantee	**13,892**	**33,066**

Other than the reserve account and bank balances; the valuation for Abuja Steel Mill limited assets was undertaken and signed by Osas and Oseji (FRC/2012/0000000000522). This valuation falls in category 3 of the fair value hierarchy.

Mecure Industries

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	26,128	13,002
Reserve account (Bank balance)	199	-
Total value of the collateral held	**26,327**	**13,002**
Outstanding value of the guarantee at the end of the year	(6,456)	(7)
Excess of collateral over outstanding value of the guarantee	**19,871**	**12,995**

Other than the reserve account and bank balances; the valuation for Mecure Industries assets was undertaken and signed by Adefila & Partners. This valuation falls in category 3 of the fair value hierarchy.

Coleman Technical Industries

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	72,215	117,527
Reserve account (Bank balance)	-	-
Total value of the collateral held	**72,215**	**117,527**
Outstanding value of the guarantee at the end of the year	(5,918)	(11)
Excess of collateral over outstanding value of the guarantee	**66,297**	**117,516**

Other than the reserve account and bank balances; the valuation for Coleman assets was undertaken and signed by Idowu Shada & Co. This valuation falls in category 3 of the fair value hierarchy.

Victoria Island Power

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	16,785	29,930
Reserve account (Bank balance)	-	-
Total value of the collateral held	**16,785**	**29,930**
Outstanding value of the guarantee at the end of the year	(16,785)	(13,655)
Excess of collateral over outstanding value of the guarantee	**-**	**16,275**

Modern Shelter

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	10,303	3,152
Reserve account (Bank balance)	92	-
Total value of the collateral held	**10,395**	**3,152**
Outstanding value of the guarantee at the end of the year	(3,309)	(3,152)
Excess of collateral over outstanding value of the guarantee	**7,086**	**-**

Other than the reserve account and bank balances; the valuation for Modern shelter's assets was undertaken by Jide Taiwo & Co. (FRC/2012/0000000000254). This valuation falls in category 3 of the fair value hierarchy.

Other information - Supplementary financial information

Prado Power

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	1,259	-
Reserve account (Bank balance)	89	-
Total value of the collateral held	**1,348**	**-**
Outstanding value of the guarantee at the end of the year	(1,259)	-
Excess of collateral over outstanding value of the guarantee	**89**	**-**

Falcon

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	3,228	3,152
Reserve account (Bank balance)	179	158
Total value of the collateral held	**3,407**	**3,310**
Outstanding value of the guarantee at the end of the year	(3,228)	(3,152)
Excess of collateral over outstanding value of the guarantee	**179**	**158**

Hotspot

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	617	2,007
Reserve account (Bank balance)	76	133
Total value of the collateral held	**693**	**2,140**
Outstanding value of the guarantee at the end of the year	(617)	(1,003)
Excess of collateral over outstanding value of the guarantee	**76**	**1,137**

ACOB

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	487	793
Reserve account (Bank balance)	36	-
Total value of the collateral held	**523**	**793**
Outstanding value of the guarantee at the end of the year	(487)	(487)
Excess of collateral over outstanding value of the guarantee	**36**	**306**

Ladol Integrated Logistics Free Zone Enterprise

In thousands of Naira	31 December 2024	31 December 2023
Open Market value of property held	1,380	-
Reserve account (Bank balance)	-	-
Total value of the collateral held	**1,380**	**-**
Outstanding value of the guarantee at the end of the year	(819)	-
Excess of collateral over outstanding value of the guarantee	**561**	**-**

In respect of the nature and value of collaterals held as securities for the respective guarantee contracts issued as at 31 December 2024 detailed above:

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its investment securities.
There was no change in the Company's collateral policy during the year.

Overview of the Company's exposure to credit risk

As at 31 December 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from:

- the carrying amount of the respective recognised financial assets as stated in the statement of financial position; and
- the financial guarantee disclosed in the notes below

In order to minimise credit risk, the Company has tasked its Board and Management Credit Committees to develop and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by reputable independent rating agencies where available and, if not available, the Credit Committees use other publicly available financial information and the Company's own records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Internal credit rating	Description	Basis for recognising expected credit losses (ECLs)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL.
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired.
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off.

Other information - Supplementary financial information

The tables below detail the credit quality of the Company's financial assets and financial guarantee contracts (off-balance sheet) as well as the Company's maximum exposure to credit risk by credit risk rating grades. Current credit ratings were assigned by Agusto & Co., GCR, Fitch and S&P.

31 December 2024	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	9	AAA - CCC *	Performing	12-month ECL	25,214	(27)	25,187
Investment securities	10	A1 - AAA*	Performing	12-month ECL	168,051	(1,577)	166,474
Guarantee fee receivables	11	A - BBB+ *	Performing	12-month ECL	5,662	-	5,662
Trade and other receivables	12	A - BBB+ *	Performing	Lifetime ECL	1,692	(447)	1,245
Total exposure to credit risk					**200,619**	**(2,051)**	**198,568**

31 December 2023	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	9	AAA - BB+ *	Performing	12-month ECL	8,092	(17)	8,075
Investment securities	10	A1 - AAA*	Performing	12-month ECL	166,685	(1,437)	165,248
Guarantee fee receivables	11	A - BBB+ *	Performing	12-month ECL	9,114	-	9,114
Trade and other receivables	12	A - BBB+ *	Performing	Lifetime ECL	873	(240)	633
Total					**184,764**	**(1,694)**	**183,070**

**Assigned by Fitch, Agusto and GCR*

Incorporation of forward-looking information

The Company uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Company uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Company applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome. The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Company has not made changes in the estimation techniques or significant assumptions made during the reporting year.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2024 for the years 2025 to 2026

	2025	**2026**
Crude oil price (USD)	75.57	74.50
Prime Lending rate (%)	29.30%	26.75%

Source: Fitch Solutions

Below is the disclosure of scenario probability weightings applied in measuring ECL for both 2024 and 2023

	Probability of Default	
Scenarios	**2024**	**2023**
Best Case	33.33%	41.04%
Base Case	27.50%	28.36%
Worst Case	29.17%	30.60%

Measurement of expected credit losses (ECLs)

The key inputs used for measuring ECL are: probability of default (PD); loss given default (LGD); and exposure at default (EAD).

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on external rating model, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures . The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the instrument.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Company measures ECL considering the risk of default over the maximum contractual year (including extension options) over which the entity is exposed to credit risk and not a longer year, even if contact extension or renewal is common business practice.

Concentration of credit risk

Most of the financial assets which are exposed to credit risks are from transactions with counterparty companies in the banking industry in Nigeria and public sector (Federal Government of Nigeria). The credit risk that the Company is exposed to as a result of the financial assets is considered low as the counterparties have consistently been rated above average by reputable credit rating agencies such as Fitch, Agusto, GCR and Standard & Poor's (S & P) . These counterparties include Federal Government of Nigeria, Stanbic Bank, Access Bank, Ecobank, United Bank for Africa, Guaranty Trust Bank, and Standargd Chartered Bank. As at the reporting date, none of these financial assets have shown objective evidence of impairment.

Concentration by Sector

			Cash Equivalents		Investment Securities	
In thousands of Dollars	*Rating*	*Location*	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Financial Institutions						
Stanbic IBTC Bank PLC	AAA */AAA**	Nigeria	10,720	459	15,012	-
Access Bank Plc	Aa */B-***	Nigeria	14,304	6,165	2,145	-
United Bank for Africa Plc	Aa- */AA+**/B-***	Nigeria	-	-	-	-
Ecobank Nigeria Limited	BB**/CCC***	Nigeria	1	1	-	28,680
Guaranty Trust Bank	B-***	Nigeria	94	233	-	-
Standard Chartered Bank	A+ ***	Nigeria	45	755	-	-
			25,164	**7,613**	**17,157**	**28,680**
Sovereign/ Government						
Federal Government of Nigeria	B- ***	Nigeria	-	-	150,894	138,006
Total					**168,051**	**166,686**

Other information - Supplementary financial information

Concentration by product

In thousands of Dollars	31 December 2024	31 December 2023
Bank balances	4,620	2,635
Placement with banks	20,594	5,457
Treasury bills	2,145	-
Eurobonds	15,012	28,680
FGN bonds	150,894	138,006
Total	**193,265**	**174,777**

* Assigned by Agusto
** Assigned by GCR
*** Assigned by Fitch

Concentration by region

In thousands of Dollars	31 December 2024	31 December 2023
Nigeria	193,265	174,777
Total	**193,265**	**174,777**

Guarantee fee receivables at amortised cost
Concentration by sector

In thousands of Dollars	Internal credit rating	External credit rating	*Location*	31 December 2024	31 December 2023
Power Sector					
Viathan Funding Plc	BB+		Nigeria	36	123
North South Power Company Limited	A-	AA**	Nigeria	159	342
GEL Utility Limited	BBB	BBB+*/BBB**	Nigeria	267	562
Asiko Energy Holding Limited	BBB+		Nigeria	24	64
Victoria Island Power	BBB		Nigeria	297	789
				783	**1,880**
Transport sector					
TSL	BB+		Nigeria	184	448
GPC	BBB+		Nigeria	313	711
				497	**1,159**
ICT Telecommunications					
PAN African Towers Limited	BBB-	BBB**	Nigeria	361	792
Hotspot Network Limited	BBB-		Nigeria	38	88
				399	**880**
Gas-to-Power					
GLNG	BBB		Nigeria	319	445
				319	**445**
Gas-to-Clean Cooking					
Gas Terminalling Ltd	BBB+		Nigeria	68	178
Falcon Incorporation Limited	BBB		Nigeria	152	192
				220	**370**
Social Infra (Health sector)					
Me Cure Industries Plc III	BBB+	BBB+ **	Nigeria	401	-
				401	**-**
Social Infra (Green Housing)					
Modern Shelter Systems	BBB		Nigeria	101	122
				101	**122**
Logistics					
LFZC	A-	BBB**	Nigeria	2,342	3,047
Ladol	BBB		Nigeria	-	
				2,342	**3,047**
Manufacturing					
Coleman Technical Industries Limited	A-	A-*/BBB **	Nigeria	166	432
Abuja Steel Mill	A-		Nigeria	285	656
				451	**1,088**
Renewable Energy					
Darway	BBB		Nigeria	21	53
ACOB Lighting Technology Ltd	BBB-		Nigeria	29	69
Prado Power			Nigeria	99	-
				149	**122**
Total				**5,662**	**9,114**

* Assigned by Agusto
** Assigned by GCR
*** Assigned by Fitch

Concentration by region

In thousands of Dollars	31 December 2024	31 December 2023
Nigeria	5,662	9,114
	5,662	**9,114**

Financial guarantee contracts (off balance sheet)

In thousands of Dollars	31 December 2024	31 December 2023
Viathan Funding Ltd	3,372	10,507
North South Power	4,660	8,931
GEL Utility	7,580	13,658
Transport Services Ltd (TSL)	5,810	12,608
North South Power II	368	1,433
Viathan Funding Ltd II	492	1,600
Lagos Free Zone Company	6,779	11,032
GPC Energy and Logistics	11,915	21,013
LFZC II Funding SPV Plc	16,139	26,266
PAN African Towers Limited	6,217	10,507
Asiko Power Limited	788	1,576
Gas Terminalling Ltd	2,222	3,677
Darway	516	841
GLNG	420	683
Transport Services Ltd (TSL) II	3,228	5,253
GLNG	3,228	5,253
Falcon Incorporation Limited	1,937	3,152
LFZC III Funding SPV Plc	11,298	18,386
Victoria Island Power	5,939	9,666

Other information - Supplementary financial information

Hotspot Network Limited	617	1,003
GLNG III	69	219
Coleman Technical Industries Limited	5,918	10,507
Abuja Steel Mill	6,456	10,507
Victoria Island Power II	2,453	3,992
Me Cure Industries Plc III	3,228	4,203
Me Cure Industries Plc IV	3,228	2,627
Modern Shelter Systems	1,695	3,152
Victoria Island Power III	1,937	3,152
ACOB Lighting Tecnology Ltd	487	793
Gas Terminalling II	5,487	8,931
GLNG IV	2,582	-
GNLG V	3,226	-
Modern Shelter II	1,614	-
Prado Power	1,259	-
Falcon Incorporation Limited II	1,291	
Victoria Island Power IV	6,456	
Ladol Integrated Logistics Free Zone Enterprise	819	
Viathan Funding Ltd III	646	
	142,376	**215,128**

On December 30, 2024, Asiko Power Limited issued an N8 billion capital market bond, guaranteed by Infracredit. The bond proceeds were intended to refinance the N8.5 billion Gas Terminaling 2 bridge facility. However, as of December 31, 2024, Asiko Power Limited had not yet received the bond proceeds. Consequently, the transaction was not recognized as finalized in the financial statements, but this disclosure was made to reflect the status.

Loss allowance by financial instrument

In thousands of Dollars	**Note**	**31 December 2024**	**31 December 2023**
Cash and cash equivalent	9	27	17
Investment securities at amortised cost	10	1,577	1,437
Trade and other receivables	12	447	240
		2,051	**1,695**

(A) Analysis of movement in loss allowance

The tables below analyse the movement of the loss allowance during the year per class of assets.

In thousands of Dollars	**Trade and other receivables 12-month ECL**	**Guarantee fee receivable 12-month ECL**	**Cash Equivalents 12-month ECL**	**Investment Securities 12-month ECL**	**Total**
As at 1 January 2023	310	-	140	1,218	1,669
New financial assets originated or purchased	133	-	147	2,459	2,739
Financial assets that have been derecognised	(310)	-	(140)	(1,218)	(1,667)
Impairment loss/(write back) for the year (see note 4)	133	-	7	1,241	1,381
Effect of movement in exchange rate	(202)		-	(1,022)	(1,223)
As at 31 December 2023	**240**	**-**	**147**	**1,437**	**1,826**
New financial assets originated or purchased	310	-	164	2,156	2,630
Financial assets that have been derecognised	(240)	-	(147)	(1,437)	(1,824)
Impairment loss for the year (see note 4)	310	-	17	719	806
Effect of movement in exchange rate	(103)		-	(579)	(683)
As at 31 December 2024	**447**	**-**	**27**	**1,577**	**1,950**

(i) For financial guarantee contract, the gross carrying amount represents the maximum amount the Company has guaranteed under the contract. No impairment allowance was recognised in the profit or loss (2023: Nil).

(ii) For trade receivables, the Company has estimated impairment based on loss rates, days past due and applying experienced credit judgement. The estimation resulted in an impairment loss of USD 310 thousand (2023: USD 133 thousand) which has been recognised in profit or loss.

(iii) The loss allowance of USD 719 thousand (2023: USD 1241 thousand) on investment securities measured at amortised cost is determined based on the credit ratings of the institutions in which the securities are held and is recognised in profit or loss.

(iv) The loss allowance of USD 17 thousand (2023:7) on cash and cash equivalents is determined based on the credit ratings of the institutions in which the cash are held and is recognised in profit or loss.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow without affecting either its daily operations or its financial condition.

The key objectives for the Company's liquidity risk management are to ensure that the liquidity position is strong enough to enable the Company carry out its core activities for a defined year of time under stressed market conditions without access to new funding, secure the highest possible credit rating by rating agencies and to fulfil the ratio requirements as specified in the capital requirements of the contingent capital facility where applicable.

Management of liquidity risk

The Company’s Risk Management Framework is designed to ensure that the Company would always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring prohibitive finance costs.

In the management of its liquidity risk position, the Company employs the following:

• Conducting the liquidity stress tests of the Company's guarantee portfolio quarterly to ensure that the sufficient liquidity can be raised by the Company to service contingent guarantee claims. The outcome of the stress test is reported to and approved by the Board of Directors.

• Maintaining a contingency funding plan.

Residual contractual maturities of financial assets

The table below analyses the Company's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining year at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows at maturity date.

Other information - Supplementary financial information

(iii) Liquidity risk - continued

31 December 2024

In thousands of Dollars	Note	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash equivalents	9	25,187	25,214	25,214	-	-	-
Investment securities	10	166,474	180,413	3,365	15,450	31,338	130,260
Guarantee fee receivable	11	5,662	5,662	322	259	562	4,520
Trade and other receivables	12	1,245	1,692	1,692	-	-	-
		198,568	212,981	30,592	15,709	31,899	134,780
Financial guarantee liability	17	6,643	6,643	435	497	975	4,735
Other liabilities	19(a)	473	473	473	-	-	-
Lease liability	21	42	42	-	-	22	20
Unsecured subordinated long term loan	24	86,775	89,645	637	-	5,224	83,784
Gap (assets-liabilities)		104,635	116,178	29,047	15,212	25,678	46,241
Cumulative liquidity gap				**29,047**	**44,259**	**69,937**	**116,178**

31 December 2023

In thousands of Dollars	Note	Carrying amount	Gross nominal	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash and cash equivalents	9	8,075	8,092	8,092	-	-	-
Investment securities	10	165,248	157,633	2,534	2,976	7,695	144,427
Guarantee fee receivable	11	9,114	9,114		-	886	8,228
Trade and other receivables	12	633	873	873	-	-	-
		183,070	175,712	11,499	2,976	8,581	152,656
Financial guarantee liability	17	10,891	10,891	-	-	886	10,005
Other liabilities	19(a)	1,329	1,329	1,329	-	-	-
Lease liability	21	128	128	-	-	-	128
Unsecured subordinated long term loan	24	71,557	89,645	208	-	205	89,232
Gap (assets-liabilities)		99,165	73,719	9,962	2,976	7,490	53,291
Cumulative liquidity gap				**9,962**	**12,938**	**20,428**	**73,719**

(iv) Operational risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as violent events like natural disaster, fire, flooding, terrorist actions, etc. This definition includes legal risk but excludes strategic and reputational risk.

The Company's Operational Risk Management (ORM) Policy provides a firm-wide definition of Operational Risk and codifies the core governing principles for Operational Risk Management. The Policy outlines the crucial elements of an ORM framework which include:

- Clear strategies and oversight by the Board of Directors and Senior Management.
- a strong operational risk and internal control culture (including, among other things, the set of individual and corporate values, attitudes, competencies and behaviour that determine a firm's commitment to and style of operational risk management) and effective internal reporting.
- commitment to effective corporate governance, including, among others, segregation of duties, avoidance of conflicts of interest, clear lines of management responsibility, accountability and reporting, as reflected in the Company's corporate governance documents. All levels of staff must understand their responsibilities with respect to operational risk management.
- foundational structures which are relied upon to minimize and effectively respond to operational risk, with emphasis on Strategies, People, Processes, Systems and Controls.
- effective monitoring and internal reporting, and high standards of ethics and integrity; and
- contingency and business continuity plans.

ORM framework provides the foundations and a common infrastructure for delivering, maintaining and governing operational risk management.

The objective of ORM policy at InfraCredit is to establish and maintain a sound ORM program to where possible prevent, and where not possible, mitigate, identify, measure, assess, monitor, overcome and report on operational risk by:

- providing an organization-wide definition of operational risk,
- defining InfraCredit's risk appetite, strategy and policies in regard to operational risk,
- establishing the Operational Risk governance structure, and the roles and responsibilities of personnel and committees,
- defining relevant operational risk processes, including identification, assessment and/or measurement, monitoring, control/mitigation and reporting; and
- defining the tools used to guard against operational risk, such as: data collection, Risk & Control Self- Assessments (RCSAs), cultivating a process-driven work environment, training, technology, tracking key risk indicators and Business Continuity Management.

The management of operational risk in InfraCredit is undertaken at three distinct levels, each with clearly defined roles and responsibilities as follows:

- the first line of defence is the responsibility of each business unit to develop processes and identify, measure, monitor and manage risks in their respective business units,
- the second line of defence includes the principal stewards of the Credit Risk, Market Risk and Operational Risk Policies, Compliance & Internal Control, the Asset Liability Committee (ALCO) and the Management Risk Oversight Committee (MROC), which have heightened responsibility to monitor and report on key risk areas of the business.
- the third line of defence is Internal Audit, which inter-alia undertakes reviews of the adequacy of ORM processes and their effectiveness across all functions and core business processes of the Company.

(v) Capital management

The strategy for assessing and managing the impact of the business plans on both core and contingent capital forms an integral part of the Company's strategic plan. The fundamental driver in determining capital adequacy for a credit guarantor is the sufficiency of capital to cover the expected losses on the portfolio given an assumed worst case expected loss scenario with adequate consideration given to the leverage levels and the ability of the Company to access its capital - both the invested qualifying capital and if necessary the unfunded contingent capital facility to make payment for losses under a financial guarantee.

The strategy and approach to capital management is to operate with a conservative policy which is centred around ensuring that the capital structure of the company is resilient and able to absorb losses and recapitalize from internal cashflows without external fundings.

The Company is not exposed to any externally imposed capital requirement.

The Company is expected to maintain an appropriate level of qualifying capital to support issuance of its guarantees and maintain an acceptable external rating.

Qualifying capital is defined as:

- the amount of qualifying core capital, plus
- unfunded contingent capital, less
- loss provisions, and
- any other non-credit guarantee related liabilities.

Qualifying core capital means an amount equal to:

- the cash value of all permitted investments together with all cash and bank balances; plus
- any cash balance; less
- projected operating expenses for the immediately succeeding quarter; less
- projected expected guarantee payments for the immediately succeeding quarter.

The Company's capital risk is measured and monitored using capital leverage ratio. Capital leverage ratio is "Notional amount guaranteed" divided by (÷) "Qualifying capital".

Other information - Supplementary financial information

"Notional amount guaranteed" means an amount equal to:

- the aggregate value of the maximum liability set out in the credit guarantees, less
- the value of the relevant utilized approved credit risk mitigant facilities.

In thousands of Dollars	31 December 2024	31 December 2023
Qualifying capital		
Investment securities	166,474	165,248
Cash and bank balances	25,187	8,075
Projected operating expenses	(939)	(1,106)
Qualifying core capital	**190,722**	**172,216**
Unfunded contingent capital	0	25,000
Other non-credit guarantee related liabilities	(3,174)	(3,242)
Qualifying capital	**187,548**	**193,974**
Notional amount guaranteed		
Amount guaranteed	142,375	201,557
Re-guarantee (USAID) & ATI and ATIDI	(41,696)	(11,266)
Accrued interest	2,747	4,291
Credit risk mitigant/reserve account	(7,726)	(10,752)
Notional amount guaranteed	**95,700**	**183,830**
Net capital leverage ratio	**0.51**	**0.95**
Gross capital leverage ratio	**0.77**	**1.06**

Based on the Capital Management Policy, the Company's capital leverage ratio shall not be higher than "5" (five) within the fourth year anniversary from 31 December 2020 and thereafter, "7.5" (seven point five). The Company has kept its leverage ratio in line with its Capital Management Policy.

Qualifying capital		
Share capital	17,920	12,131
Cummulative irredeemable preference capital	22,250	22,250
Cummulative redeemable preference capital	59,467	59,467
Share premium	7,409	1,228
Retained earnings	18,610	8,129
Translation reserves	(23,524)	(5,574)
Qualifying capital	**102,132**	**97,630**
Notional amount guaranteed		
Amount guaranteed	142,375	201,557
Re-guarantee (USAID) & ATI and ATIDI	(41,696)	(11,266)
Accrued interest	2,747	4,291
Credit risk mitigant/reserve account	(7,726)	(10,752)
Notional amount guaranteed	**95,700**	**183,830**
Gross capital leverage ratio - Equity	**1.42**	**2.11**
Net capital leverage ratio - Equity	**0.94**	**1.88**

31 Category of financial instruments and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities.

31 December 2024

In thousands of Dollars	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)	Fair value
Cash and cash equivalents	9	25,187	25,187	-	25,187
Investment securities	10	166,474	166,474	-	169,771
Guarantee fee receivable	11	5,662	5,662	-	5,662
Trade and other receivables	12	1,245	1,245	-	1,245
Total financial assets		**198,568**	**198,568**	**-**	**201,865**
Unsecured subordinated long term loan	24	86,775	-	86,775	86,775
Financial guarantee liability	17	6,643	-	6,643	6,643
Other liabilities	19(a)	473	-	473	473
Total financial liabilities		**93,891**	**-**	**93,891**	**93,891**

31 December 2023

In thousands of Dollars	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)	Fair value
Cash and cash equivalents	9	8,075	8,075	-	8,075
Investment securities	10	165,248	165,248	-	154,408
Guarantee fee receivable	11	9,114	9,114	-	9,114
Trade and other receivables	12	633	633	-	633
Total financial assets		**183,070**	**183,070**	**-**	**172,230**
Unsecured subordinated long term loan	24	71,557	-	71,557	71,557
Financial guarantee liability	17	10,891	-	10,891	10,891
Other liabilities	19(a)	1,329	-	1,329	1,329
Total financial liabilities		**83,777**	**-**	**83,777**	**83,777**