FSDH Holding Company Limited

Annual Report

31st December 2024

FSDH HOLDING COMPANY LIMITED
Index to the Annual Report
for the year ended 31 December 2024

Note

Note

CORPORATE INFORMATION

The list of Directors who served in the entity during the year and up to the date of report is:

Chairman	-	Mr. Hakeem Belo-Osagie
Managing Director	-	Mr. Segun Odusanya
Non-Executive Director	-	Mr Junaid Dikko
Non-Executive Director	-	Mr. Papa Ndaiye
Independent Non-Executive Director	-	Mrs. Amoge Jipreze
Non-Executive Director	-	Mr. Wale Adeosun
Non-Executive Director	-	Mr. Aniekan Ukpanah
Non-Executive Director	-	Ms. Betty Kumahor
Non-Executive Director	-	Ms. Yasmin Belo-Osagie
Independent Non-Executive Director	-	Mr. Murtala Baloni

Registered Office	-	UAC House, 4th floor, 1-5 Odunlami Street, Lagos, Nigeria Email: info@fsdhgroup.com Website: www.fsdhgroup.com
Auditors	-	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street, Victoria Island, Lagos https://home.kpmg/ng
Company Secretary	-	CORNELIA GEORGE UTUK
RC No.	-	1553171
FRC Registraion No	-	FRC/2021/00000013882
TIN	-	21253361-0001

DIRECTORS' REPORT

The Directors present their annual report on the affairs of FSDH Holding Company Limited ("the Company) and its subsidiaries ("the Group"), together with the consolidated annual financial statements and auditor's report for the year ended the 31st of December 2024.

Legal form

The Company was incorporated on the 15th of January 2019 as a private limited liability company. The Company was granted a license as a non-operating holding company by the Central Bank of Nigeria (CBN) on the 17th of April 2019.

(a) Principal activity

The Company's principal activity is to carry on business as a financial holding Company, to invest and hold controlling shares in and manage equities in its subsidiary and affiliate companies.

The Company has four subsidiaries: FSDH Merchant Bank Limited, FSDH Asset Management Limited, FSDH Capital Limited, and Pensions Alliance Limited.

(b) Operating Results

In thousands of naira	Group Dec 2024	Group Dec 2023	Company Dec 2024	Company Dec 2023
Profit before tax	18,647,975	8,510,771	5,519,594	(491,797)
Income tax expense	(3,935,823)	(1,973,377)	(2,571)	-
Profit after tax	14,712,152	6,537,394	5,517,023	(491,797)
Other comprehensive income for the period net of tax	(864,117)	2,972,298	-	-
Total Comprehensive income for the period	13,848,035	9,509,692	5,517,023	(491,797)

The Board of Directors recommend, for the approval of the shareholders, the payment of a final dividend of N5 billion representing N2.50K per share (December 2023: Nil) for the year ended December 31, 2024.

(c) Directors' interests in shares

The following are the interests of Directors in the shares of the Company as at the 31st of December 2024:

Mr. Hakeem Belo-Osagie	Non-Executive Director representing KMC Investments Limited
Mr. Junaid Dikko	Non-Executive Director representing KMC Investments Limited
Mr. Papa Ndiaye	Non-Executive Director representing Atlantic Coast Regional Fund
Mrs. Amoge Jipreze	Independent Non-Executive Director
Mr. Segun Odusanya	Executive Director (Appointed with effect from the 10th of November 2023)
Mr. Murtala Baloni	Independent Non-Executive Director
Ms. Yasmin Belo-Osagie	Non-Executive Director representing KMC Investments Limited
Mr. Aniekan Ukpanah	Non-Executive Director representing KMC Investments Limited
Mr. Wale Adeosun	Non-Executive Director representing Kuramo Africa Opportunity Nigeria Vehicle 1 Limited (Appointed with effect from the 27th of July 2022)

Ms. Betty Kumahor	Non-Executive Director (Appointed with effect from the 7th of December, 2022).

(d) Directors' interest in contracts

In accordance with Section 303(1) of the Companies and Allied Matters 2020 (CAMA), none of the directors has notified the company of any interest in contracts.

(e) Composition of top management

The Company's top management is categorized as Assistant General Managers and above. As at the 31st of December 2024, the Company had two members of staff in this category.

(f) Shareholding analysis

The shareholding pattern of FSDH Holding Company Limited as at the 31st of December 2024

Share Range	No. of Shareholders	No. of holdings	Percentage holding
0 – 100,000,000	3	143,225,420	7.16
100,000,001 – 500,000,000	4	1,216,049,267	60.80
500,000,001 – 1,000,000,000	1	640,725,313	32.04
	8	2,000,000,000	100.00

(g) Substantial interest in shares

According to the register of members as at the 31st of December 2024, the following shareholders held more than 5% of the issued shares of the Company:

Shareholder	Unit Holding	Percentage
KMC Investments Limited	640,725,313	32.04%
Atlantic Coast Regional Funds LLC	465,032,735	23.25%
Kuramo Africa Opportunity Nigerian Vehicle I Limited	326,963,633	16.35%
United Capital Asset Management Limited	216,026,676	10.80%
FSDH Staff Co-operative Society	208,026,223	10.40%

(h) Property and equipment

Information relating to changes in the property and equipment of the Company is disclosed in Note 29 of the financial statements. In the director's opinion, the market value of the Company's property, plant, and equipment is not less than the value shown in the financial statements.

(i) Events after the reporting date

There was no significant event after the reporting date that can materially affect the true and fair position of the financial statements as at 31 December 2024

(j) Human Resources

Director Remuneration

The Company is committed to ensuring that the compensation provided to its directors is in line with the Nigerian Code of Corporate Governance (2018) and the Central Bank of Nigeria's Code of

Corporate Governance Guidelines for Financial Holding Companies (2023). The Company's remuneration policy emphasises transparency and compliance with regulatory standards.

Non-executive directors are paid directors and sitting allowances. The executive directors are entitled to a monthly salary, relevant benefits in kind, and performance-based bonuses contingent on the company's performance in the preceding year.

Employee Remuneration

The Company compensation and reward philosophy embodies the principles guiding the Company's compensation policy. This philosophy aligns with the Group's objective of attracting and retaining highly skilled individuals to maintain a competitive edge. The assessment of compensation packages considers factors such as business performance, economic variables like inflation, market survey findings, regulatory mandates, and internal policies.

The compensation and reward strategies at the Company are designed to attract, reward, and retain a motivated talent pool aligned with the Company's values, ideology, and strategic goals. These strategies, in support of the corporate strategy, undergo periodic reviews to adapt to changes in internal and external conditions. The Company aims to establish itself as an employer of choice by offering an appealing and sustainable compensation package within its market. Remuneration encompasses base pay, allowances, benefits-in-kind, and performance-based bonuses.

Directors' Learning

Directors participated in several training sessions during the period, including the IFRS and Accounting for Non accountants and Risk Management Workshop facilitated by EY. The training sessions aimed to enhance participants' understanding of key financial and risk management concepts. The Risk Management Overview focused on the global and Nigerian risk landscape, regulatory responses, capital management (including recapitalization and utilization of funds), and market trends like compliance automation and generative AI. The IFRS for Non-Accountants provided foundational knowledge of financial reporting, covering the objectives, components, and concepts of financial statements, recognition processes, and the linkage between financial position and income statements, with practical illustrations to aid comprehension.

. Other programs done were

- AML/CFT/CPF Board Training, Regulatory Compliance Risk Management
- Board Oversight of Cybersecurity and Digital Risk Management

Learning at FSDH

Employees at the Company are encouraged to reflect on their learning goals and aspirations for the upcoming year. They are invited to input their learning plans for the year through a provided link, helping tailor support and resources to meet individual needs. The organisation shares Personal Development Plans (PDPs) to support growth, enhance skills, and foster professional success. The Company emphasises the belief in continuous development, recognising its benefits for both individuals and the organisation. The PDP for 2024 offered tailored opportunities aligned with career aspirations and business objectives, encompassing various development initiatives throughout the year. The Company remains committed to creating an environment that promotes continuous learning and encourages employees to actively engage in their development for personal and collective success.

Equal Opportunity

The Company upholds the principles of equal opportunity employment and ensures equitable access to internal opportunities, benefits, and privileges for all individuals, regardless of factors such as religion, gender, disability, or any other protected characteristic. The Company's dedication to fostering an inclusive workplace culture enables every employee to thrive and contribute to its collective success. The recruitment process is tailored to attract diverse talent, and once onboarded, the Company offer continuous support and development opportunities to help all employees realise their full potential. Through these initiatives, the Company uphold fairness and equity, basing advancement on merit and performance, thereby fostering an environment where every member of its community can excel. Embracing diversity and inclusivity enriches the Company's workforce and strengthens its commitment to excellence in delivering financial services to its clients and stakeholders.

Employment of Physically Challenged Persons

The Company's policy prohibits discrimination against physically challenged persons in recruitment, training, and career development. Currently,the Company has no employee with a physical disability.

Gender Diversity

In compliance with the Nigerian Sustainability Banking Principle Number 4 on Women’s Economic Empowerment, FSDH Holding Company Limited promotes women’s empowerment through a gender-inclusive workplace culture in its governance structure and business operations. The company’s diversity policies intrinsically entrench a corporate culture that supports gender equality, facilitating a more diverse and representative workforce and management structure.

The policies aim to achieve a minimum of 30% female representation both at the Board and at the Senior Management levels, subject to the identification of candidates with the appropriate skill sets. In compliance with this policy, the Bank currently has three female Non-Executive Directors: Mrs Amoge Jipreze, Ms Betty Kumahor and Ms Yasmin Belo-Osagie. At the Management level, Mrs. Cornelia Utuk and Ms Olubusola Awosile, together with the MD/CEO, Mr Segun Odusanya, make up the Senior Management team at FSDH Holding Company Ltd.

Furthermore, the Company remains committed to promoting gender diversity across the Group.

Ongoing efforts include group-wide initiatives like the WE Mentorship program, which provides personalised career and personal counselling to support young professionals in their professional and personal growth.

In accordance with this commitment, our policy emphasises placing value on the benefits that a diverse workforce brings to the Company and on providing a workplace where:

• Everyone is valued and respected for his/her distinctive skills, experiences and perspectives

• Structures, policies and procedures are in place to assist employees in effectively balancing their work, family life and other responsibilities

- Decision-making processes in recruitment activities take diversity into account
- Employees have access to opportunities based on merit
- Company culture is free from discrimination, harassment and bullying
- Employment decisions are transparent, equitable and procedurally fair.

In accordance with this policy, the company shall continually treat all employees, prospective employees, and customers fairly and equally regardless of gender, sexual orientation, family status, race, colour, nationality, ethnic or national origin, religious belief, age, or physical or mental disability.

Clawback

The Company's policy, subject to applicable law, stipulates that in the event of an accounting restatement due to financial misstatements or material noncompliance with financial reporting requirements, the Company will seek recovery of incentive compensation from current or former executives, officers, and senior management who received such compensation in the three years preceding the restatement. The Governance and Nominations Committee will recommend the amount to be recovered, considering rewards based on erroneous data. This policy is enforced unless deemed unreasonable, and the company is currently not pursuing clawback.

Health, safety, and welfare at work

The Company's business premises are designed to ensure a safe and healthy environment for its employees and customers. The Company's employees are covered under a comprehensive health insurance scheme. Accordingly, the medical expenses of employees and their immediate families are covered up to a defined limit. The Company has Group Personal Accident and Workmen's Compensation Insurance for its employees. The Company ensures a COVID-19-safe environment for employees who work from the Company's premises post-lockdown. With the outbreak of COVID-19 in 2020, most of the Company's employees were empowered with modern collaboration tools to work from their respective residences to limit their exposure to the coronavirus.

Employees and their immediate families are covered under a comprehensive health insurance scheme. The Company also operates a contributory pension plan in line with the Pension Reform Act 2014.

(k) Auditors

Messrs. KPMG Professional Services served as external auditors during the year under review. In accordance with Section 401(2) of the Companiesand Allied Matters Act 2020, they have indicated their willingness to continue as the Company's external auditor.

UAC House (8th Floor)
1/5 Odunlami
Street,Marina
Lagos
27 March 2025

BY ORDER OF THE BOARD

Cornelia George Utuk
Company Secretary
FRC/2014/PRO/NBA/002/00000007492

CORPORATE GOVERNANCE REPORT

INTRODUCTION

FSDH Holding Company Limited is a non-operating financial holding company licensed by the Central Bank of Nigeria. The holding company structure was implemented through a scheme of arrangement between FSDH Merchant Bank Limited and the holders of its fully paid ordinary shares. The Federal High Court Lagos sanctioned the scheme of arrangement on the 10th of May 2019. By order of the Federal High Court, the shareholders of FSDH Merchant Bank Limited became the shareholders of FSDH Holding Company Limited.

The Company's shareholders include local and international non-bank financial institutions and institutional investors. The subsidiaries of FSDH Holding Company Limited are FSDH Merchant Bank Limited, FSDH Asset Management Limited, FSDH Capital Limited, and Pensions Alliance Limited. Each subsidiary has its board of directors, which is accountable for compliance withits business's statutory and regulatory requirements. Each subsidiary operates under a governance framework, which allows the individual boards of directors to discharge its responsibilities for oversight and strategic direction whilst ensuring compliance with relevant regulations and legislation.

The Company is committed to implementing initiatives that improve corporate governance for the benefit of all its stakeholders. The Board of Directors is unwavering in implementing best practices in corporate governance. The Board of Directors has established Committees to drive this process. The roles and responsibilities of each Committee are set out in the Committee charters. The charters also set out the roles, responsibilities,scope of authority, and composition of the Committees.

SHAREHOLDERS

The Board of Directors is accountable to the shareholders for corporate governance. The shareholders approve the external auditors and appoint directors to the Board. They are also responsible for approving matters reserved for shareholders by legislation and the Company's articles of association.

THE BOARD OF DIRECTORS

Board Composition and Structure

The Board of Directors is responsible for governance, ensuring appropriate controls, systems, and practices are in place for effective and efficient governance. The roles of the Chairman and chief executive officer are distinct and separate in line with the Nigerian Code of Corporate Governance (2018) and the Central Bank of Nigeria's Corporate Governance Guidelines for Financial Holding Companies (2023). The Board of Directors comprises nine non-executive directors and one executive director. The number and stature of the non-executive Directors ensure that sufficient consideration and debate are brought to bear on the Board's decision-making process. The Board also has committees to facilitate the discharge of the responsibilities of the Board, and each committee has a Board and Central Bank of Nigeria-approved charter.

The Board of Directors as at the 31st of December 2024 are as follows:

NAME OF DIRECTOR	DESIGNATION	CBN APPROVAL	CUMULATIVE YEARS AS A DIRECTOR AS AT 31ST DECEMBER 2024
Mr. Hakeem Belo-Osagie	Chairman	17/04/2019	5 years 8 months
Mr. Papa Ndiaye	Non-Executive Director	17/04/2019	5 years 8 months
Mrs. Amoge	Independent	17/04/2019	5 years 8 months

Jipreze	**Non-Executive Director**		
Mr. Segun Odusanya	**Managing Director**	**10/11/2023**	**1 year 3 weeks**
Mr. Junaid Dikko	**Non-Executive Director**	**17/04/2019**	**5 years 8 months**
Ms. Yasmin Belo-Osagie	**Non-Executive Director**	**29/06/2020**	**4 years 6 months**
Mr. Aniekan Ukpanah	**Non-Executive Director**	**13/10/2020**	**4 years 2 months**
Mr. Murtala Baloni	**Independent Non-Executive Director**	**13/10/2020**	**4 years 2 months**
Mr. Wale Adeosun	**Non-Executive Director**	**27/07/2022**	**2 years 5 months**
Ms. Betty Kumahor	**Non-Executive Director**	**7/12/2022**	**2 years 3 weeks**

Board Appointments

The appointment of Directors complies with legal and regulatory requirements, including, but not limited to, the requirements of the Central Bank of Nigeria and the Companies & Allied Matters Act. The Board considers the candidate's skills, knowledge, experience, and other attributes necessary to the prospective role.

Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, at the Annual General Meeting, one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office.

Mr. Papa Ndiaye, Mr. Junaid Dikko, Ms Yasmin Belo-Osagie and Mrs Amoge Jipreze retired at the Company's 5th Annual General Meeting held on the 1st August 2024 and, being eligible for re-election, were re-elected by the shareholders. Pursuant to the provisions of the Company's Articles of Association, three directors to be listed in the notice of the Companies' 6th Annual General Meeting will retire during the 6th Annual General Meeting of the Company.

Induction and Training

The Company has a Board approved induction programme designed to meet the needs of new Directors. The programme is implemented by one-on-one meetings with management to introduce new Directors to the Group and its operations. The new Director is also provided with a link to documents regarding the Company and the key regulations under which the Company operates. The Company Secretary manages the induction programme.

Directors receive reports on an ongoing basis on the macroeconomic situation globally and locally, relevant legislation and regulations, and sector developments that impact the Group's business. The information is provided in the management reports and at quarterly Board meetings. These form part of ongoing Directors' training.

Responsibilities of the Board

The responsibilities of the Board, as contained in the Board charter, include but are not limited to the following:

- Approving the Group's strategy and financial objectives and monitoring the implementation of the strategies and objectives;

- Approving any significant changes in the organisational structure of the Group;
- Reviewing and approving proposals for the allocation of capital and other resources within the Group;
- Defining the capital structure of the Group, including the review and approval of proposals for the issue of shares, options, or other securities, share buyback and any changes in the capital structure of the Group;
- Approving the dividend policy and proposing the dividend to be approved by the shareholders at annual general meetings;
- Approving the Group's investment policy and framework and monitoring investment and strategic commitments that may have a material effect on the assets, profit or operations of the Group, including any material changes in the business of the Group;
- Approving operating plans and actions of the Company, including setting an expenditure approval threshold for management and approving expenditure that exceeds the threshold;
- Setting and monitoring the compliance of subsidiaries with established policies and business objectives;
- Overseeing the process of ensuring that the Group has in place the appropriate financing strategy to support and enable its growth ambitions;
- Ensuring that appropriate systems and procedures are in place to give assurance that the Group operates in a safe, responsible and ethical manner and compliance with all legal and regulatory requirements;
- Overseeing the establishment, implementation and monitoring of a Group-wide risk management framework to identify, assess and manage business risks facing the Group;
- Overseeing the Group's corporate sustainability practices regarding its economic, social, and environmental obligations

Board Meetings

The Board meets, at a minimum, once every quarter. All Directors are provided with notices, agenda, and meeting papers in advance of each meeting to enable Directors to adequately prepare for meetings. In demonstrating its commitment to environmental sustainability, the Board operates a secure electronic portal- to circulate papers for board meetings to Directors. Directors' attendance at Board meetings for the year ended on the 31st of December 2024 is as follows:

Name	Designation of Director	25th of March	7th of May	29th of July	30th October	Total Attendance
Mr. HakeemBelo-Osagie	Chairman	•	•	•	•	4
Mr. PapaNdiaye	Non-Executive Director	•	•	•	•	4
Mrs . AmogeJipreze	Independent Non-Executive Director	•	•	•	•	4
Mr. JunaidDikko	Non-Executive Director	•	•	•	•	4

Ms. Yasmin Belo-Osagie	Non-Executive Director	•	•	•	•	4
Mr. AniekanUkpanah	Non-Executive Director	•	•	•	•	4
Mr. Murtala Baloni	Independent Non-Executive Director	•	•	•	•	4
Mr. Wale Adeosun	Non-Executive Director	•	•	•	•	4
Ms. Betty Kumahor	Non-Executive Director	•	•	•	•	4
Mr. Segun Odusanya	Managing Director	•	•	•	•	4

• Present
x Absent

Board Committees

The Board has delegated some of its functions to board committees constituted by Directors. The committees operate under terms of reference approved by the Board. The Board has a total of four Committees.

Board Audit Committee

The Committee is responsible for external and internal audit, financial reporting and fraud-related issues.
During the reporting period, the Board Audit Committee reviewed and recommended the internal audit plan to the Board. The Committee exercised oversight of the internal audit function. It reviewed the level of the Company's compliance with applicable laws and regulatory requirements that may impact the Company's annual audited financial statements, as well as significant financial reporting findings and recommendations.

As at the 31st of December 2024, the Committee consisted of five Directors, all of whom are Non-ExecutiveDirectors, with the Chairperson being an Independent Non-Executive Director. Attendance at the meetings of the Committee in 2024 was as follows:

Name	Designation of Director	Dates of Meetings						Total Attendance
		22nd February	25th March	6th May	23rd July	16th October	26th November	
Mrs. Amoge Jipreze	Chairperson	•	•	•	•	•	•	6
Mr. Papa Ndiaye	Non-Executive Director	•	•	•	•	•	•	6
Mr. Aniekan Ukpanah	Non-Executive Director	•	•	•	•	•	•	6
Ms. Yasmin Belo-Osagie	Non-Executive Director	•	•	•	•	•	•	6
Mr. Wale Adeosun	Non-Executive Director	•	•	•	x	•	•	5

Governance, Remuneration and Nominations Committee

The Committee oversees governance nominations and remuneration matters. It also monitors the Group's human resource policies and practices.

During the reporting period, the Committee reviewed and dealt with all executive management selection and performance matters. It reviewed and recommended governance and remuneration matters to the Board. As at the 31st of December 2024, the Committee consisted of five Directors, all of whom are Non- Executive Directors. Attendance at the meetings of the Committee in 2024 was as follows:

Name	Designation of Director	14th February	29th February	23rd April	16th May	13th may	14th May	16st May	21st May	11th June	22nd July	24th October	Total Attendance
Mr. Murtala Baloni	Independent Non-Executive Director Chairman	•	•	•	•	•	•	•	•	•	•	•	11
Mr. Mr Junaid Dikko	Non-Executive Director	•	•	•	•	•	•	•	•	•	•	•	11
Mr. Papa Ndiaye	Non-Executive Director	•	•	•	•	•	•	•	•	•	•	•	11
Mr. Aniekan Ukpanah	Non-Executive Director	•	•	•	•	•	•	•	•	•	•	•	11
Mr. Wale Adeosun	Non-Executive Director	•	•	•	•	•	•	•	•	•	•	•	11

THE BOARD RISK MANAGEMENT COMMITTEE

During the reporting period, the Board Risk Management Committee was excised from the Board Audit and Risk Committee. The newly formed Risk Management Committee reviewed and recommended the risk management policies and framework to the Board. The Committee exercised oversight of the process for identifying and assessing risks and the adequacy of detection and reporting mechanisms. It reviewed the level of the Company's compliance with applicable laws and regulatory requirements that may impact the Company's risk profile.

As at the 31st of December 2024, the Committee consisted of five Directors, four of whom are Non-Executive Directors. Attendance at the meetings of the Committee in 2024 was as follows:

Name	Designation of Director	22nd February	25th March	23 July	16 October	Total Attendance
Mr. Wale Adeosun	Chairman	•	•	x	•	3
Ms. Aniekan Ukpanah	Non-Executive Director	•	•	•	•	4
Mr. Papa Ndiaye	Non-Executive Director	•	•	•	•	4
Mr. Segun Odusanya	Executive Director	•	•	•	•	4
Ms. Betty Kumahor	Non-Executive Director	•	•	•	•	4

THE STRATEGY, INVESTMENTAND FINANCE COMMITTEE

The Committee is responsible for strategic planning and budgeting, investment planning, management, budget and financial performance reporting.

During the reporting period, the Strategy, Investment and Finance Committee provided oversight on strategy formulation andmonitored the Group's strategy implementation process, budget, financial performance, and investment management process. The Committee oversaw strategic planning and budgeting, investment, and financial planning.

As at the 31st of December 2024, the Committee consisted of six Directors. Attendance at the Committee meeting in 2024 is as follows:

Name	Designation of Director	16th April	29th April	24th July	25th of October	27th November	Total Attendance
Mr. Papa Ndiaye	Chairman	•	•	•	•	•	5
Mr. Murtala Baloni	Independent Non-Executive Director	•	•	•	•	•	5
Ms. Yasmin Belo- Osagie	Non-Executive Director	•	•	•	•	•	5
Mr. Wale Adeosun	Non-Executive Director	•	•	•	•	•	5

Ms. Betty Kumahor	**Non-Executive Director**	•	x	•	•	•	**4**
Mr. Segun Odusanya	**Executive Director**	•	•	•	•	•	**5**

•	Present
x	Absent

MANAGEMENT

Management is charged with the day-to-day running of the Company. The Managing Director and Chief Executive Officer heads the management committee, made up of heads of Units. At the holding company level, the Group Coordinating Committee is constituted by the Managing Director of the Company, the Managing Directors of all the subsidiary companies and the Unit Heads in the Company.

Management Committee

The Management Committee was operationalized in Q4 2024 to support the CEO in managing Company's business and supports the flow of information and the decision-making process between the Board and Management.

Group Coordinating Committee

The Group Coordinating Committee reviews and recommends the allocation of capital and resources Group-wide, develops and recommends Group strategy and targets, develops and recommends Group risk management framework, develops and recommends Group-wide human capital management policies, develops and recommends Group-wide information technology strategy, coordinates and ensures Group-wide reporting, develops strategies/framework and/or policies regarding other Group functions as may be permitted from time to time by the Central Bank of Nigeria, or the Securities and Exchange Commission or the Nigerian Exchange Group Limited.

INTERNAL CONTROL, RISK MANAGEMENT AND AUDIT

The Company has a risk management department with the primary mandate to communicate risk policies and processes and provide hands-on development of risk models involving market, credit, and operational risk, ensuring controls operate effectively. Risk management reports were presented to the Board Risk Management Committee at the quarterly Committee meetings in the year under review.

Measures to ensure effective business continuity management are continually reviewed. In addition, reports, including macroeconomic and updates on regulatory activities, were submitted to the Board regularly to assist their oversight functions and ensure continued compliance with regulatory requirements.

BOARD EFFECTIVENESS AND EVALUATION

The Board is focused on continued improvements in its corporate governance effectiveness. The Directors were evaluated by an independent consultant as required by the Central Bank of Nigeria Corporate Governance Guidelines. The consultant's report includes an assessment of the performance of the individual Directors for the year under review.

Management's performance against corporate targets was appraised at Board meetings following the presentation of the corporate performance results. Overall, the Board maintained adequate oversight of management activities while providing strategic directions to management.

TRANSPARENCY AND DISCLOSURES

The Company held its Annual General Meeting with stakeholders during the reporting period in line with the guidelines of the Corporate Affairs Commission. The meeting notice was sent out at least 21 days before the scheduled date, which complies with the requirements of the Nigerian Code of Corporate Governance. In addition to stakeholder engagement during the Annual General Meeting, the Company responded to stakeholders' inquiries sent throughout the year under review. The Company also has a corporate website that hosts relevant stakeholder information.

The company's financial statements, financial reports and disclosure of affiliations are disclosed on its website, in line with the recommendation of the Nigerian Code of Corporate Governance.

To encourage transparency in the system, the Company maintains whistleblowing channels as a platform for stakeholders to communicate or report actual or potential unethical behaviors. The whistleblowing policy is hosted on the corporate website for easy access to stakeholders. The policy assures stakeholders that the whistleblower is protected.

ETHICS AND ORGANISATIONAL INTEGRITY

The Company has a board-approved code of business ethics for Directors and the Company's employees to drive alignment with the Company's values and code of ethics. The codes of business ethics for Directors and employees are hosted on the corporate website for easy access to internal and external stakeholders.

TENURE OF CONSULTANTS PROVIDING ASSURANCE SERVICES

The company's external auditors are KPMG Professional Services. They were appointed on the 17th of May 2021 and have provided services for 3 years and 9 months.

The independent consultant engaged to evaluate the Board and carry out the annual corporate governance review is Deloitte & Touche. They have been consultants since February 2020 and have provided the services for 5 years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its statement of comprehensive income. The responsibilities include ensuring that the Company:

I. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

II. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

III. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable judgments and estimates, in conformity with,

- International Financial Reporting Standards;
- Financial Reporting Council of Nigeria (FRC) Act;
- Guidelines for licensing and regulation of Financial Holding Companies in Nigeria
- Relevant circulars issued by the Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act and;
- The requirement of the Companies and Allied Matters Act.

The directors are of the option that the financial statements give a true and fair view of the state of the financial affairs of the Company and of the financial performance and cash flows for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Junaid Dikko	**Segun Odusanya**
Director	**Director**
FRC/2013/PRO/DIR/003/00000003973	**FRC/2013/PRO/DIR/003/00000003705**

REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act, the members of the Board Audit and Risk Committee of FSDH Holding Company Limited hereby report as follows:

- We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 31 December 2024 were satisfactory and reinforce the Company's internal control systems.
- We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.

Amoge Jipreze
Chairperson, Board Audit and Risk Committee
FRC/2022/PRO/DIR/003/709199

Members of the Audit Committee are:

1.	Amoge Jipreze	Chairperson
2.	Papa Ndiaye	Member
3.	Aniekan Ukpanah	Member
4.	Yasmin Belo Osagie	Member

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/Chief Executive Officer and Chief Financial Officer, hereby certify the financial statements of the FSDH Holding Company Limited 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 and its subsidiaries is made known to us by other officers of the companies, during the period ended 31 December 2024
e. That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date
f. That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
g. That we have disclosed the following information to the 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.

Femi Odusanya
Financial Controller
FRC/2024/PRO/ICAN/001/988234.
March 27 2025

Segun Odusanya
Director
FRC/2013/PRO/DIR/003/00000003705
March 27 2025

Management's Assessment of and Report on Internal Control Over Financial Reporting for the year ended 31 December 2024

The Management of FSDH Holding company Limited is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council of Nigeria (Amendment Act, 2023).

The management of FSDH Holding Company Ltd 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 of FSDH Holding company Ltd did not identify any material weakness in its assessment of internal control over financial reporting and as a result, management has concluded that, as of December 31, 2024, the Group's internal control over financial reporting was effective.

The Group's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this annual Report, has 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.

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.

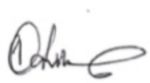
Femi Odusanya	**Segun Odusanya**
Financial Controller	**Managing Director**
FRC/2024/PRO/ICAN/001/988234	**FRC/2013/PRO/DIR/003/00000003705**
27 March 2025	**27 March 2025**

Certification of Assessment of and Report on the Effectiveness of Internal Control Over Financial Reporting as of 31 December 2024

To comply with the provisions of Section 1.3 and Appendix 1 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control over Financial Reporting, I hereby make the following statements regarding the Internal Controls of FSDH Holding Company Ltd as of 31 December 2024:

I, Segun Odusanya, the Chief Executive Officer, certify that:

- I have reviewed this management assessment and report on the effectiveness of Internal Control over Financial Reporting;
- 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;
- 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;
- The group's other certifying officer and I:
    a) are responsible for establishing and maintaining internal controls;
    b) have designed such internal controls and procedures to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within the entity, particularly during the period in which this report is being prepared;
    c) have designed such internal control system 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;
    d) have evaluated the effectiveness of the group'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.
- The group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the group's auditors and the audit committee that:
    a) there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the group's ability to record, process, summarize and report financial information; and
    b) there is no fraud, whether or not material, that involves management or other employees who have a significant role in the group's internal control system.
- The group'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.



Segun Odusanya
Managing Director
FRC/2013/PRO/DIR/003/00000003705
27 March 2025

Management's Assessment of and Report on Internal Control Over Financial Reporting for the year ended 31 December 2024

The Management of FSDH Holding company Limited is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council of Nigeria (Amendment Act, 2023).

The management of FSDH Holding Company Ltd 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 of FSDH Holding company Ltd did not identify any material weakness in its assessment of internal control over financial reporting and as a result, management has concluded that, as of December 31, 2024, the Group's internal control over financial reporting was effective.

The Group's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this annual Report, has 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.

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.

Femi Odusanya
Financial Controller
FRC/2024/PRO/ICAN/001/988234
27 March 2025

Segun Odusanya
Managing Director
FRC/2013/PRO/DIR/003/00000003705
27 March 2025

Certification of Assessment of and Report on the Effectiveness of Internal Control Over Financial Reporting as of 31 December 2024

To comply with the provisions of Section 1.3 and Appendix 1 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control over Financial Reporting, I hereby make the following statements regarding the Internal Controls of FSDH Holding company Limited as of 31 December 2024:

I, Femi Odusanya, the Financial Controller, certify that:

- I have reviewed this management assessment and report on the effectiveness of Internal Control over Financial Reporting;
- 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;
- 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;
- The group's other certifying officer and I:
    - e) are responsible for establishing and maintaining internal controls;
    - f) have designed such internal controls and procedures to ensure that material information relating to the company is made known to us by others within the entity, particularly during the period in which this report is being prepared;
    - g) have designed such internal control system 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;
    - h) have evaluated the effectiveness of the group'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.
- The group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the group's auditors and the audit committee that:
    - c) there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the group's ability to record, process, summarize and report financial information; and
    - d) there is no fraud, whether or not material, that involves management or other employees who have a significant role in the group's internal control system.
- The group'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.

Femi Odusanya
Financial Controller
FRC/2024/PRO/ICAN/001/988234
27 March 2025

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
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PMG 40014, Falomo
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Independent Auditor's Limited Assurance Report

To the Shareholders of FSDH Holding Company Limited

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 FSDH Holding Company Limited ("the Company") and its subsidiaries (together "the Group") as of 31 December 2024 is effective in accordance with the criteria established in 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 the Group'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 consolidated and separate financial statements of FSDH Holding Company Limited in accordance with the International Standards on Auditing, and our report dated 20 May 2025, expressed an unmodified opinion of those consolidated and separate financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of FSDH Holding Company Limited 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 Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024. Our responsibility is to express a conclusion on the Group'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 Group'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

The 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. The 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.

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

Deloitte.

Deloitte & Touche
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25 March 2025

The Chairman
FSDH Holding Company Limited
8th Floor, 1/5 Odunlami Street
Lagos Island
Lagos, Nigeria.

Dear Sir,

Report of the Independent Consultants on the Performance Evaluation of the Board of Directors of FSDH Holding Company Limited

Deloitte & Touche has performed the annual evaluation of the Board of Directors of FSDH Holding Company Limited (“FSDH”) for the year ended 31 December 2024. The scope of the review included an assessment of the Board’s structure and composition, its responsibilities, processes, procedures, and the effectiveness of Board Committees. The review was performed in compliance with Principle 14 of the Nigerian Code of Corporate Governance (“NCCG”) and the Central Bank of Nigeria’s Corporate Governance Guidelines for Financial Holding Companies (“CBN Guidelines”).

Our approach involved a review of relevant Board governance documents, policies, and procedures. The result of our evaluation has shown that the Board substantially complies with the provisions of the extant Corporate Governance regulations in terms of its procedures, and responsibilities. The report highlights details of our review activities, observations, and some recommendations for the Board’s action.

It should be noted that the matters raised in this report are only those that came to our attention during the course of our review. The evaluation is limited in nature and does not necessarily disclose all significant matters about the company or reveal any irregularities. As such, we do not express any opinion on the activities reported. The report should be read in conjunction with the Corporate Governance Section of the Annual Report.

Yours faithfully,

For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

Deloitte.

Deloitte & Touche
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25 March 2025

The Chairman
FSDH Holding Company Limited
5th Floor, UAC House
1/5 Odunlami Street
Lagos, Nigeria.

Dear Sir,

Report of the Independent Consultants on the Review of Corporate Governance Framework of FSDH Holding Company Limited for the Year Ended 31 December 2024

Deloitte & Touche has performed the annual corporate governance review of the Corporate Governance framework in FSDH Holding Company Limited ("FSDH") for the year ended 31 December 2024. The scope of the review included an assessment of the Board's structure and composition, its responsibilities, processes, procedures, and the effectiveness of Board Committees. The review was performed in compliance with Principles 11.2.9.5 and 15 of the Nigerian Code of Corporate Governance ("NCCG") and the Central Bank of Nigeria's Corporate Governance Guidelines for Financial Holding Companies ("CBN Guidelines").

Our approach involved a review of the Corporate Governance framework in FSDH. We reviewed the governance charters and policies and frameworks for business assurance functions in FSDH. The report of our evaluation was premised on desk review of governance policies, charters, and minutes, as well as interview sessions with Directors.

The result of our evaluation has shown that the Corporate Governance framework and practices in FSDH substantially complies with the provisions of the extant Corporate Governance regulations. The report further highlights details of our review activities, observations and some recommendations for the Board and Executive Management's action.

It should be noted that the matters raised in this report are only those that came to our attention during the course of our review. The evaluation is limited in nature and does not necessarily disclose all significant matters about the company or reveal any irregularities. As such, we do not express any opinion on the activities reported.

Yours faithfully,

For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FSDH Holding Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of FSDH Holding Company Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise:

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

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate 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, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowance for loans and advances to customers

The Group's determination of impairment losses on loans and advances to customers is inherently a significant area for the Group as significant judgments and assumptions are made by the Group over the estimation of the size of the impairment allowance.

The Group uses an Expected Credit Loss (ECL) model to determine the size of the impairment allowance for loans and advances. The ECL methodology incorporates the expected future credit losses due to macroeconomic variables.

The Group's ECL model includes certain judgements and assumptions such as:

- the determination of the probability of a loan becoming past due and subsequently defaulting;
- the determination of the Group's definition of default;
- the criteria for assessing significant increase in credit risk (SICR);
- the credit conversion factors applied in the ECL model;
- the rate of recovery on the loans that are past due and in default;
- the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collaterals; the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, exchange rates and the Gross Domestic Product (GDP) rates used in determining the expected credit losses in the loans and advances portfolios.

We focused on the impairment allowance for loans and advances to customers due to the significant judgements, estimates and assumptions made by the Group in determining the impairment allowance required.

How the matter was addressed in our audit

Our procedures included the following:

- we evaluated the design and implementation and tested the operating effectiveness of the controls relating to the Group's review of credit risk gradings for the Group's corporate loans and advances and the Group's monitoring and identification of loans displaying indicators of impairment.
- we assessed the Group's definition of default for consistency with the requirements of the relevant accounting standard.
- we assessed the appropriateness of the Group's determination of significant increase in credit risk (SICR) and the resultant classification of loans into various stages of credit risk for reasonableness.
- with the assistance of our Financial Risk Management specialists, we:

  - assessed the appropriateness of the Group's ECL methodology by considering whether it reflects probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions;
  - tested the accuracy and appropriateness of the data used in determining the Exposure at Default, including the credit conversion factor and outstanding loan balance;
  - assessed the reasonableness of the Loss Given Default (LGD) used by the Group in the ECL model and other evidence of future cash flows by evaluating the valuation reports and assessing haircuts applied by the Group on the recoverability of collateral considering the current economic conditions;
  - challenged the appropriateness of the Group's forward-looking assumptions comprising the inflation rates, exchange rates and GDP growth rates used in the ECL calculations using publicly available information from external sources;
  - tested the accuracy of the Group's impairment model by independently re-performing the calculations of impairment allowance for loans and advances.
- we evaluated the adequacy and appropriateness of the disclosures made on impairment allowance for loans and advances to customers in the consolidated and separate financial statements.

The Group's disclosure on critical judgements and estimates and impairment allowance for loans and advances are shown in Notes 2.2c and 8 respectively in the consolidated and separate financial statements for the year ended 31 December 2024.

Valuation of Trading assets and liabilities

The trading assets of the Group relate to securities obtained by the Group under a repurchase agreement while the trading liabilities relate to securities pledged out under a repurchase agreement.

Based on the business model of the Group these securities were classified as Fair Value Through Profit or Loss (FVTPL). These securities are unquoted securities and are valued using observable inputs of similar quoted securities on FMDQ Group Plc's daily quotation list. The Group's valuation model uses various judgements and assumptions, including the estimation of the market prices and present value of future cashflows.

The valuation of the trading assets and liabilities has been considered as a key audit matter due to the complexity around the judgements and assumptions made by the Group in determining the fair value of the securities.

How the matter was addressed in our audit

Our procedures included the following:

- we assessed the appropriateness of the accounting policies applied by the Group against the requirement of the relevant accounting standards.
- we obtained relevant agreements and other supporting documents to confirm existence of the transactions.
- we recomputed the interest income and expense on each transaction based on the parameters provided in the agreement.
- we compared the schedule of trading assets to the CBN S4 securities report as at 31 December 2024.
- for unquoted trading assets and liabilities we obtained the market prices of two similar securities from FMDQ Group Plc's daily quotation list, and we interpolated/Extrapolated the market prices to determine the appropriate market price for the valuation.
- we recomputed the present value of future cashflows based on parameters provided in the agreement.
- we evaluated the adequacy and appropriateness of the disclosures made on trading assets and liabilities in the consolidated and separate financial statements.

The Group's disclosure on critical judgments and estimates and trading assets are shown in Notes 2.2c and 17 respectively in the consolidated and separate financial statements for the Year ended 31 December 2024.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Report of the Board Audit Committee, Management's Assessment of and Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Assessment of and Report on the Effectiveness of Internal Control Over Financial Reporting, and Other National disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with 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, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board 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.

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's consolidated and separate statement of financial position and consolidated and separate statement of comprehensive income are in agreement with the books of account.

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

i. The Company and Group paid penalties amounting to ₦33.26 million in respect of contraventions noted from the CBN Risk Based Supervisory review and other regulatory reviews as disclosed in note 48 to the consolidated and separate financial statements.
ii. Related party transactions and balances are disclosed in note 44 to the consolidated and separate financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

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 20 May 2025. That report is included on page 22 of the annual report.

Signed:

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0313642

FSDH HOLDING COMPANY LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED

	Note	GROUP 31 DECEMBER 2024 N '000	GROUP 31 DECEMBER 2023 N '000	COMPANY 31 DECEMBER 2024 N '000	COMPANY 31 DECEMBER 2023 N '000
Interest income on financial assets fair value through profit or loss	5(a)	5,453,422	2,466,107	125,975	-
Interest income on financial assets fair value through other comprehensive income	5(b)	13,417,702	4,588,731	-	-
Interest income on financial assets at amortised cost	5(c)	36,543,087	21,068,972	38,392	46,270
		55,414,211	28,123,809	164,367	46,270
Interest expense	6.	(40,279,636)	(19,994,079)	(269,987)	(348,151)
Net interest income		15,134,575	8,129,730	(105,620)	(301,881)
Impairment charge for credit losses	8	(1,757,661)	(981,151)	(79)	(852,000)
Net interest income after impairment charge for credit losses		13,376,914	7,148,579	(105,699)	(1,153,881)
Net fee and commission income	7	12,849,192	9,935,025	-	-
Net (loss)/ gains on financial instruments held for trading	9	14,039,030	3,985,849	15,274	39,102
Net gains on financial instruments classified as fair value through OCI	10	(1,042,871)	1,175,336	-	-
Dividend Income	11	158,581	52,841	8,336,860	1,651,738
Other income	12	3,041,165	1,274,033	7,355	6,414
Staff related expenses	13	(12,423,804)	(7,980,916)	(1,301,283)	(333,637)
Operating expenses	13	(11,350,232)	(7,079,976)	(1,432,914)	(701,532)
Profit before tax		**18,647,975**	**8,510,771**	**5,519,593**	**(491,796)**
Income tax expense	14	(3,935,823)	(1,973,377)	(2,571)	-
Profit after tax		**14,712,152**	**6,537,394**	**5,517,022**	**(491,796)**
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Net change in fair value on FVOCI financial assets		(864,117)	2,972,298	-	-
Total comprehensive income/(loss) for the year		**13,848,035**	**9,509,692**	**5,517,022**	**(491,796)**
Profit after tax attributable to:					
Equity holders of the parent entity		13,105,080	5,344,884	5,517,022	(491,796)
Non-controlling interest		1,607,072	1,192,510	-	-
		14,712,152	**6,537,394**	**5,517,022**	**(491,796)**
Total comprehensive income attributable to:					
Equity holders of the parent entity		12,240,963	8,317,182	5,517,022	(491,796)
Non-controlling interest		1,607,072	1,192,510	-	-
		13,848,035	**9,509,692**	**5,517,022**	**(491,796)**
Earnings per share per profit attributable to equity holders of parent bank					
Earnings per share - basic (kobo)	46	655	267	276	(25)
Earnings per share - diluted (kobo)	46	655	267	276	(25)

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

FSDH HOLDING COMPANY LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	GROUP 31 DECEMBER 2024 N '000	GROUP 31 DECEMBER 2023 N '000	COMPANY 31 DECEMBER 2024 N '000	COMPANY 31 DECEMBER 2023 N '000
ASSETS					
Cash and bank balances with CBN	15	79,185,378	52,097,052	75,090	247,411
Loans to banks and other financial institutions	16	4,152,166	16,936,608	-	402,564
Financial instruments held for trading	17	68,067,029	30,046,118	1,812,862	498,358
Trading asset	18	19,701,520	19,700,513	-	-
Derivative financial instruments	19	347,140	48,775,795	-	-
Loans and advances to customers	20	135,434,077	123,777,042	1,330	1,852
Investment securities	21	126,867,540	54,365,548	-	-
Pledged assets	22	171,493,657	32,041,042	-	-
Other assets	24	11,567,962	26,601,448	6,080,060	1,668,392
Leases - Right of use of assets	23	306,566	225,006	9,545	4,359
Investment in subsidiaries	26	-	-	30,679,699	30,679,699
Deferred tax asset	27	1,635,987	1,924,806	-	-
Intangible assets	28	1,302,827	493,625	-	-
Property and equipment	29	2,058,168	1,861,388	279,029	317,609
Total assets		**622,120,017**	**408,845,991**	**38,937,615**	**33,820,245**
Liabilities					
Trading liabilities	30	1,589,260	19,969,025	-	-
Derivative financial instruments	19	10,176,796	1,497,920	-	-
Due to banks and other financial institutions	31	141,752,545	31,352,130	-	-
Due to customers	32	326,789,715	173,279,817	-	-
Lease Liabilities	23	211,312	56,358	9,545	-
Company income tax liability	14	3,593,032	1,405,835	2,580	1,332
Deferred tax liabilities	27	434,876	110,245	-	-
Other liabilities	33	51,494,056	13,946,738	2,194,053	1,974,160
Borrowed funds	35	12,723,916	88,797,590	-	-
Debt securities issued	34	19,469,594	36,765,673	1,904,478	2,534,817
Total liabilities		**568,235,102**	**367,181,331**	**4,110,656**	**4,510,309**
Share capital	36	2,000,000	2,000,000	2,000,000	2,000,000
Share premium	37	26,954,699	26,954,699	26,954,699	26,954,699
Business restructure reserve	37	-	(24,620,318)	-	-
Retained earnings	37	3,440,901	19,366,453	5,872,260	355,237
Statutory reserve	37	13,403,414	10,356,593	-	-
Fair value reserve	37	(2,441,121)	(1,577,004)	-	-
AGSMEIS reserve	37	2,004,405	1,348,333	-	-
Credit risk reserve	38	4,046,711	3,339,291	-	-
		49,409,009	37,168,047	34,826,959	29,309,936
Non-controlling interest in equity	37	4,475,906	4,496,614	-	-
Total equity		**53,884,915**	**41,664,660**	**34,826,959**	**29,309,936**
Total equity and liabilities		**622,120,017**	**408,845,991**	**38,937,615**	**33,820,245**

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

The financial statements were approved and authorised for issue by the Board of Directors on 27 March 2025 and were signed on its behalf by:

.... **Junaid Dikko - Director**
FRC/2013/PRO/DIR/003/00000003973

.... **Segun Odusanya -Managing Director**
FRC/2013/PRO/DIR/003/00000003705

Additional certification:

.... **Femi Odusanya - Financial Controller**
FRC/2024/PRO/ICAN/001/988234

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

FSDH HOLDING COMPANY LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
GROUP 2024

	Attributable to equity holders of the parent										
	Share capital	**Share premium**	**Retained earnings**	**Statutory reserve**	**Restructure Reserve**	**Fair Value reserve**	**Credit risk reserve**	**AGSMEIS reserve**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2024	2,000,000	26,954,699	19,366,452	10,356,593	(24,620,318)	(1,577,004)	3,339,291	1,348,333	37,168,046	4,496,614	41,664,660
Total comprehensive income:											
Profit after tax for the year	-	-	13,105,080	-	-	-	-	-	13,105,080	1,607,072	14,712,152
									-	-	-
Actuarial loss on defined gratuity scheme (net of tax)	-	-	-	-	-	-	-	-	-	-	-
Unrealised net gains arising during the year on FVOCI financial assets	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of FVOCI financial assets	-	-	-	-	-	(864,117)	-	-	(864,117)	-	(864,117)
Transfer of Business restructure reserves			(24,620,318)		24,620,318						
Net change in impairment on FVOCI financial asse	-	-	-	-	-	-	-		-	-	-
	-	-	(11,515,238)	-	24,620,318	(864,117)	-	-	12,240,963	1,607,072	13,848,035
Transaction with owners:											
Dividends to equity holders	-	-		-	-	-	-	-	-	(1,627,780)	(1,627,780)
Transfers durig the year											
Transfer to statutory reserves	-	-	(3,046,821)	3,046,821	-	-	-	-	-	-	-
Transfer to AGSMEIS reserves	-	-	(656,072)	-	-	-	-	656,072	-	-	-
Transfer to credit risk reserves	-	-	(707,420)	-	-	-	707,420	-	-	-	-
Business consolidation adjustment	-	-			-	-	-	-	-		-
	-	-	(4,410,313)	3,046,821	-	-	707,420	656,072	-	(1,627,780)	(1,627,780)
At 31 December 2024	2,000,000	26,954,699	3,440,901	13,403,414	-	(2,441,121)	4,046,711	2,004,405	49,409,009	4,475,906	53,884,915

GROUP 2023	**Share**	**Share premium**	**Retained earnings**	**Statutory reserve**	**Restructure Reserve**	**Fair Value reserve**	**Credit risk reserve**	**AGSMEIS reserve**	**Total**	**Non-controlling interest**	**Total equity**
At 1 January 2023	2,000,000	26,954,699	15,996,692	9,420,403	(24,620,318)	(4,549,302)	2,902,554	1,114,136	29,218,864	3,304,104	32,522,968
Profit after tax for the year	-	-	5,344,884	-	-	-	-	-	5,344,884	1,192,510	6,537,394
Net change in fair value of FVOCI financial assets	-	-	-	-	-	2,972,298	-	-	2,972,298	-	2,972,298
	-	-	5,344,884	-	-	2,972,298	-	-	8,317,182	1,192,510	9,509,692
Transaction with owners:											
Dividends to equity holders	-	-	(368,000)	-	-	-	-	-	(368,000)		(368,000)
Transfers durig the year											
Transfer to statutory reserves	-	-	(936,190)	936,190	-	-	-	-	-	-	-
Transfer to AGSMEIS reserves	-	-	(234,197)		-	-	-	234,197	-	-	-
Transfer to credit risk reserves	-	-	(436,737)		-	-	436,737	-	-	-	-
					-	-			-		
	-	-	(1,975,124)	936,190	-	-	436,737	234,197	(368,000)	-	(368,000)
At 31 December 2023	2,000,000	26,954,699	19,366,453	10,356,593	(24,620,318)	(1,577,004)	3,339,291	1,348,333	37,168,047	4,496,614	41,664,660

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

COMPANY 2024

	Attributable to equity holders of the parent company				
	Share capital	**Share premium**	**Retained earnings**		**Total equity**
At 1 January 2024	2,000,000	26,954,699	355,237	-	29,309,936
					-
	2,000,000	26,954,699	355,237	-	29,309,936
Total comprehensive income:					
Profit after tax for the year	-	-	5,517,022		5,517,022
	-	-	5,517,022	-	5,517,022
At 31 December 2024	**2,000,000**	**26,954,699**	5,872,259	**-**	**34,826,958**

COMPANY 2023

	Share capital	**Share premium**	**Retained earnings**	**Total equity**
At 1 January 2023	2,000,000	26,954,699	1,215,034	30,169,733
Total comprehensive income:				
Profit after tax for the year	-	-	(491,796)	(491,796)
	-	-	(491,796)	(491,796)
Transaction with owners:				
Dividends to equity holders	-	-	(368,000)	(368,000)
	-	-		(368,000)
At 31 December 2023	2,000,000	26,954,699	355,238	29,309,937

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

FSDH HOLDING COMPANY LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS

	Note	GROUP 31 December 2024 N '000	GROUP 31 December 2023 N '000	COMPANY 31 December 2024 N '000	COMPANY 31 December 2023 N '000
Cash flows from operating activities					
Cash generated from operations	40	86,738,376	(34,892,918)	(1,908,290)	1,735,854
Interest received	40	55,414,211	25,532,939	164,367	46,270
Interest paid	40	(40,279,636)	(11,036,109)	(284,070)	(380,071)
Income taxes paid	14	(1,531,881)	(1,315,685)	(458)	(136)
Net cashflows from operating activities		100,341,070	(21,711,773)	(2,028,452)	1,401,916
Cash flows from investing activities					
Proceeeds from Redemption/purchase of investment securities	40	(29,379,090)	12,982,667		-
Additions to property, plant and equipment	29	(1,163,829)	(1,170,527)	(76,488)	(282,511)
Additions to intangible assets	28	(790,245)	(366,022)	-	-
Proceeds from sale of property, plant and equipment	40	84,616	55,429	21	901
Dividends received	40	158,581	52,841	2,886,367	464,027
Net cash used in investing activities		(31,089,967)	11,554,388	2,809,899	182,417
Cash flows from financing activities					
Dividends paid to owners	47	-	(368,000)	-	(368,000)
Dividends paid to non-controlling interests	42	(1,627,780)	-	-	-
Principal element of lease payment	23	(39,168)	(129,591)	-	-
Long term borrowings additions	35	56,423,000	50,824,143	-	-
Repayment of long term borrowing	35	(76,006,511)	(34,587,756)		-
Proceeds from debt instrument issued	34	5,199,010	42,982,616		-
Repayment of debt instrument	34	(24,809,927)	(44,545,340)	(600,000)	(600,000)
Net cash (used)/generated in financing activities		(40,861,376)	14,176,072	(600,000)	(968,000)
Cash and cash equivalents at start of year		38,226,907	20,770,527	649,975	33,641
Exchange difference on cash held		(867,637)	13,437,692	-	-
Net Increase/(Decrease) in cash and cash equivalents		28,389,727	4,018,688	181,447	616,334
Cash and cash equivalents at end of year		65,748,997	38,226,907	831,422	649,975
Cash and cash equivalents	41	65,748,997	38,226,907	831,422	649,975

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

1 General information

FSDH Holding Company Limited ("the company") was incorporated on the 15 January 2019 as a private limited liability company under the Companies and Allied Matters Act.

The Central Bank of Nigeria approved the granting of a Financial Holding Company License to FSDH Holding Company Limited on 17 April 2019, permitting it to operate as an Other Financial Institution. The company is a non-operating financial holding company, regulated by the CBN.

The company directly holds a 100% interest in FSDH Merchant Bank Limited, a CBN licensed merchant banking institution, 99.7% interest in FSDH Asset Management Limited, an asset management company, 99.9% interest in FSDH Capital Limited, a company involved in stockbroking and issuing house operations and a 51% interest in Pensions Alliance Limited, a company involved in pension fund administration. It indirectly holds a 100% interest in FSDH Funding SPV Plc, a special purpose vehicle set up by the merchant bank solely for the purpose of raising debt funding for its use in normal course of business.

The company has prepared consolidated financial statements and the financial results of all subsidiaries have been consolidated in these financial statements. The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the Board of Directors on 27 March, 2025.

2 Accounting Policies

2.1 Basis of preparation and statement of compliance

The financial statements are the consolidated and separate financial statements of FSDH Holding Company Limited ("the company"), and its subsidiaries (herein collectively referred to "the Group"). The financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, the requirements of the Companies and Allied Matters Act (CAMA) 2020, Banks and Other Financial Institutions Act
(BOFIA) 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. Additional information required by national regulations is included where appropriate. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets held at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly.

The statement of financial position are presented in order of liquidity and analysis regarding recovery or settlement within 12 months after reporting date (current) and more than 12 months (non-current) are presented in the respective related notes in the financial statements. The accounting policies adopted are consistent with those of the previous financial period.

a. Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Group's functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

b. Basis of measurement

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

Financial assets measured at fair value through other comprehensive income (FVOCI)
Financial assets held for trading measured at fair value through profit or loss.
Loans and receivables are measured at amortised cost
Derivative financial instruments which are measured at fair value.

c. Use of Estimates and Judgements

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant estimates and judgements are in relation to the following as they affect the 2024 financial statements

i.Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
ii.recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.
iii.recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
iv.determination of the fair value of financial instruments with unobservable inputs.

2.3 Changes in material accounting policies

2.31 Standards and interpretations effective during the reporting period

The Group and company does not have changes in material accounting policies in the current annual reporting period

2.32 Standards and interpretations issued/amended but not yet effective.

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on 1 January 2024 and have not been earlier adopted by the company.

Standard	Content	Effective Date
IAS 21	Lack of Exchangeability	01-Jan-25
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments	01-Jan-26
IFRS 18	Presentation and Disclosure in Financial Statements	01-Jan-27
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01-Jan-27

The Group did not apply the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

Lack of Exchangeability (Amendments to IAS 21) – Effective date of 1st January 2025

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. Although few jurisdictions are affected by this, it can have a significant accounting impact for those companies affected.

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify the translation of foreign currency transactions in situations where a foreign operation has a functional currency that is different from the presentation currency of the reporting entity.

Use of Observable Rate: A company can use an observable rate if that rate meets the estimation objective – i.e. the rate reflects that at which an orderly exchange transaction would take place at the measurement date between at the measurement date between market participants under prevailing economic conditions.

Use of Observable Rate: A company can use an observable rate if that rate meets the estimation objective – i.e. the rate reflects that at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions

When making this assessment, a company needs to consider:
• whether several observable exchange rates exist.
• the purpose for which the currency is exchangeable.
• the nature of the exchange rate; and
• the frequency with which exchange rates are updated.

• IFRS 9 & IFRS7 - Classification and Measurement of Financial Instruments -

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

• Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met

• Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features

• Clarifies the treatment of non-recourse assets and contractually linked instruments

• Clarifies the treatment of non-recourse assets and contractually linked instruments

Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESGlinked), and equity instruments classified at fair value through other comprehensive income. The Group plans to adopt the amendement when it becomes effective.

• IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 to become effective on 1 January 2027. The objective of the Standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses, with emphasis on the subject matter as shown below:

Aggregation : The adding together of assets, liabilities, equity, income, expenses or cash flows that share characteristics and are included in the same classification.

Classification: The sorting of assets, liabilities, equity, income, expenses and cash flows based on shared characteristics
Disaggregation: The separation of an item into component parts that have characteristics that are not shared

The Group plans to adopt the full scope of the Standard when it becomes effective

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

Eligible entities

✓ It is a subsidiary as defined in IFRS 10 Consolidation Financial Statement
✓ It does not have public accountability
✓ It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accunting standards

The standard does not have any Impact on the Group as the group is not an Eligible entity

2.4 Summary of accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a)Segment Reporting
An operating segment is a component of the Group engaged in business activities from which it can earn revenues, whose operating results are regularly reviewed by the Group's Executive [Management/Board] in order to make decisions about resources to be allocated to segments and assessing segment performance. The Group’s identification of segments and the measurement of segment results are based on the Group’s internal reporting to management.

b) Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

It is also the Group’s policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset. The following are the income lines of the Group and how income is recognised:

- **Credit related fees:** This includes fees charged for servicing loans, issuance fees on guarantees, commitment fee when it is unlikely that a specific lending arrangement will be entered into. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate. The fees noted here are based on negotiation. The fees are either earned at point in time or over time dependent on the terms of the contract.

- **Fiduciary fees:** This relates to fee earned on funds managed by entities within the group. Also included in this fee income class are the administrative fees charged and incentive fees earned when certain milestones are reached or exceeded. These classes of fees are regarded as incentive fees and they are earned over time.

- **Commission on trade related transactions:** These are Commission earned on trade-related transactions. The rates are agreed ahead and income is based on the value of the transactions and thus are satisfied at a point in time.

- **Financial advisory and Issuing house activities fees:** : These are agreed upfront and based on financial advisory services rendered to clients. These include capital market service related fees, brokerage and advisory fees. The fees are either earned at point in time or over time dependent on the terms of the contract.

- **Other commissions:** This includes electronic Grouping charges, account transaction fee, custody fees among others. The fees are earned at a point in time

(c) Sale and repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The counterparty liability received is recognised in the statement of financial position as a liability and classified as due to Group or from customers with an obligation to return it, including accrued interest. The financial assets are used as collateral on securities lent and repurchase agreement, reflecting the transaction’s economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the counterparty has the right to sell or re-pledge the securities, the Group reclassifies those securities in its statement of financial position to ‘pledged assets” as appropriate.

Securities purchased under agreements to resell (reverse repos) are recorded as due from Group and measured at amortised cost. The securities pledged under such agreements are not included in the statement of financial position.

Securities repossessed under a reverse repo transaction are recognised in the books of the Group. The instruments are classified in the financial statements according to their nature and purpose.

(d) Basis of consolidation

The financial statements of the consolidated subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company’s reporting date.

(i) Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Structured entities (also called Special Purpose Entities):
Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity such as when any voting right relates to administrative tasks only and the relevant activities are directed by means of contractual agreements.
The Group assesses structured entities that it is involved in for control and if it is exposed or has right to variable returns from its involvement with the entity and has ability to affect these returns through its power over the entity.

(iii) Transactions and non-controlling interests
The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.
Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated equity as non-controlling interest. Profits or losses attributable to non-controlling interests are reported in the consolidated statement of comprehensive income as profit or loss attributable to non-controlling interests.

(d) Changes in ownership interests in subsidiaries without change of control
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group

(iv) Disposal of subsidiaries
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in the carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

(e) Financial assets and liabilities
Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at 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 loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:
(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date basis.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 2.10, which results in an accounting loss being recognised in the income statement when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets

Classification and subsequent measurement
The Group classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:
(i)the Group's business model for managing the asset; and
(ii)the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

a) Financial assets measured at amortised cost
These represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

b) Financial assets measured at FVOCI
Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through
Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the income statement.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) Financial assets measured at FVTPL
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and presented in the income statement within 'Net gains on financial instruments held for trading' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model assessment

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

SPPI Test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

d) Equity Instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. No Impairment loss is recognised on equity investment. Dividends, which representing a return on such investments, continue to be recognised in the income statement as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the "Net gains on financial instruments held for trading' line in the income statement.

Derivative instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

Changes in fair values are recognised immediately in the income statement. The Group's derivative transactions consist of foreign exchange forward transactions as at the balance sheet date.

Modifications of financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either
(i) the Group transfers substantially all the risks and rewards of ownership, or
(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Financial liabilities

Classification and measurement
Financial liabilities are classified as subsequently measured at amortised cost

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in the income statement;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Category (as defined by IFRS 9)		Classes as determined by the Group	Subclasses
Financial Assets	Financial assets held for trading	Debt Securities	Treasury Bills
			Corporate Bonds
			Federal Government of Nigeria Bonds
		Derivative financial instruments	Foreign exchange forward contracts
		Equity Securities	Quoted Equity Securities
		Mutual funds	Mutual funds
	Financial assets fair valued through other comprehensive income (FVOCI)	Debt securities	Treasury Bills
			Federal Government of Nigeria Bonds
			Unquoted equities
			Eurobonds
			Promissory Notes
			Corporate Bonds
	Amortised Cost	Investment Securities	Treasury bills
			FGN Bonds
			Corporate Bonds
			Promissory Notes
		Cash and bank balances	Cash
			Operating balances with Central Bank of Nigeria
			Mandatory reserve with Central Bank of Nigeria
			Balances with banks in Nigeria
			Balances with banks outside Nigeria
		Loans and advances to Banks	Placements with banks and discount houses
			Placements with other financial institutions
		Loans and advances to customers	Term loans and overdrafts
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivative financial instrument liabilities	Foreign exchange forward contracts
	Financial liabilities at amortised cost	Due to banks	Call borrowings
			Trade related obligations
			Secured borrowings
		Due to Customers	Demand deposits
			Term deposits
			Client investment fund
		Lease liabilities	Lease liabilities
		Other liabilities	Account Payable
			Sundry accounts
		Short term debt instruments	FSDH Commercial Papers
		Other Borrowed funds	Trade and credit lines

(f) Impairment

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and fair value through other comprehensive income and with the exposure arising from loan commitments and financial guarantee contracts.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group 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 Group's historical experience and expert credit assessment including forward-looking information. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by:

- identifying the rating classification at initial recognition i.e. investment grade or speculative grade
- comparing the initial rating as at initial recognition with the current rating
- four notches downward movement in a twenty-five notches scale is considered significant
- for loans initially recognized as investment grade, a drop to speculative grade is considered significant
- for corporate debt issue, two notches downgrade of the issuer rating is considered significant
- for all facilities an upward reclassification of rating to the rating captured at its initial recognition or higher is considered a significant reduction in credit risk and a probationary period of 30 days is triggered.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative and qualitative factors. Using its expert credit judgement and where possible relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Group has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition. The number of days past due is determined by counting the number of days since the date the full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Qualitative criteria:

For large portfolios, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information. In relation to corporate and treasury financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level. The criteria used to identify SICR are monitored and reviewed annually for appropriateness by the Risk Management Team.

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.
The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2024.

Definition of default and credit-impaired assets

The Group defines default as the failure of counterparties to meet the financial and legal obligations including a deviation from the conditions associated with the transaction.
Credit risk default arises from the failure of an obligor of the Group to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk).

This definition is fully aligned with the definition of credit-impaired and is triggered when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding. In assessing whether a borrower is in default, the Group considers indicators that are:

a. qualitative – e.g. breaches of covenant;
b. quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
c. based on data developed internally and obtained from external sources. Inputs into the assessment of whether a financial instrument is in default and the significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. This is based on advice from the Group's Risk Management Department.

The Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two more additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, some international organizations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. On an annual basis, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The factors the Group considers are as shown below:

Stages	Applicable ECL	Criteria (Quantitative)	Criteria (Quantitative)
Stage 1	12 Month ECL	• Less than 30 days past due	• All loans upon initial recognition
Stage 2	Lifetime ECL - Loans that have witnessed significant increase in credit risk	• Internal / external rating downgrade of loans from investment grade to non-investment grade • four notches downward movement in a twenty-five notches scale in rating. • One notch internal / external rating downgrade of loans for non-investment grade loans • Obligation with past due exceeding 30 days • Increase of more than 300bps in yield spread over corresponding Federal Government instrument for corporate debt issue • For corporate debt issue, three notches downgrade of the issuer rating	• Forbearance by CBN • Negative modification / restructure to the original loan agreement e.g. for easing the cash-flow burden on the obligor • Verified poor credit risk status from the credit bureau • Changes in regulatory, economic, or business of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology) • Overdue status and non-payment on another obligation of the same issuer to the Group
Stage 3	Lifetime ECL - Loans that have objective evidence of impairment or in default	• Obligation with past due exceeding 90 days • Internal and external rating downgrade to “C” rating	• Force majeure leading to loss of borrower's primary asset

The days past due default definition used by the Group as criteria in the credit classification for loan loss provisioning is consistent with the nature and observable trends in the credit of the Group.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on an annual basis.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are provided by the Group's economic and research team on a quarterly basis and provide the best estimate view of the economy over the next five years.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's Research team also provide other possible scenarios along with scenario weightings. Three other scenarios were used to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded.

Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting
(as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Estimation of multi-year exposure at default
Exposure at Default (EAD) is an estimate of the Group's exposure to its counterparty at the time of default. This estimation (EAD) relates to payment terms, tenure of exposure and the point in time at which default is expected, or actually occurs. For defaulted accounts, the Group uses the principal amount outstanding and the accrued interest at the point of default as the EAD.
Prepayment is primarily an option to borrower to make bulk payment (full or partial) for the availed facility ahead of its scheduled time.

EAD Estimation for certain exposure facilities
Under this category, future exposure to the facility is known, as the counterparty cannot increase its exposure beyond contractual drawdown schedule. All forms of term loans including amortizing loans, step-up/step-down loans, bullet loans fall under this category, provided there is no prepayment option.

Periodic and Daily amortization schedule are generated using both contractual and computed effective interest rate (EIR).

Estimation of multi-year loss given default

Definition of LGD Parameters
Loss Given Default (LGD) parameter is defined as a percentage of exposure that the Group expects not to collect if default occurs on the contract. It is the complement of the Recovery Rate which is the percentage of exposure that the Group expects to recover in the event that there is a default.

Collateral: This is a property or other asset that a borrower offers as a way for a lender to secure the loan. Since collateral offers some security to the lender should the borrower fail to pay back the loan, loans that are secured by collateral typically have lower credit risk spreads than unsecured loans.

Haircut: The amount of the haircut reflects the lender's perceived risk of loss from the asset falling in value or being sold in a forced sale. Haircut is expressed as a percentage of the collateral's market value.

Discount Rate: This is the rate used to discount all estimated recovered cash flows from the period of collection to the period of default. The contractual interest rate is used as EIR for stage 3 facilities, while the EIR is used for other stages. Effective interest rate (EIR) is defined as the rate that exactly discounts future contractual cash payments through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

- For unsecured products, LGD's are typically set at 45% as proposed by BASEL III.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD.

Qualitative Criteria

PDs are assigned by grouping facilities based on a shared risk characteristic, i.e. homogeneous group. The FSDH internal rating of the obligor was used as the relevant shared characteristic for the purpose of this grouping.

Credit Rating	Score	Investment Decision	Obligor Description
Aaa	Above 92	Investment Grade	Impeccable financial condition. Overwhelming capacity to meet obligations in a timely manner
Aa+			Very good financial condition. Very strong capacity to meet obligations in a timely manner.
Aa	75 to 92		
Aa-			
A+			Good financial condition. Strong capacity to meet obligations in a timely manner.
A	63 to 74		
A-			
Bbb+			Satisfactory financial condition. Capacity to meet obligations in timely manner exists and are adequate.
Bbb	52 to 63		
Bbb-			
Bb+		Speculative	Satisfactory financial condition. Capacity to meet obligations in timely manner exists but may be inadequate
Bb	40 - 51		
Bb-			
B+			Very weak financial condition. Capacity to meet obligations in timely manner is contingent upon its ability to refinance
B	30 - 39		
B-			
CCC+	Below 30	Junk	Very weak financial condition. Capacity to meet its obligations in a timely manner is contingent on external support.
CCC			
CCC-			
CC+			
CC			
CC-			
C+			Very weak financial condition. Capacity to meet its obligations in timely manner doesn't exist.
C			
C-			

The Top-Down Approach
The impact of macro-economic variables on non-performance is determined by the model and applied on ECL level. Factors considered include:
•Exchange Rate
•Inflation
•Brent Crude Price

Data consideration included values from 2010 to 2024 and forecast for 2025 to 2029.

Probability – Weighted ECL Computation

A key aspect of IFRS 9 is the introduction of forward-looking estimates into the impairment calculation.

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. This is based on advise from the banking subsidiary's Risk Management and Research Departments which have been equipped with relevant tools.

The Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two more additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, some international organizations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. On an annual basis, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

(g) Leases

Entities within the group primarily leases buildings for use as office space. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease terms range from 2 years to 5 years. The lease agreements do not impose any covenants - however, leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components and treat them accordingly.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that members of the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short term leases and leases of low-value-assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than $5,000 when new, e.g., small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term. The Group currently does not have any short term or low value leases.

(h) Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to Groups, financial institutions and others on behalf of customers to secure loans, overdrafts and other Grouping facilities.

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

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument. For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision.

However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(j) Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(k) Offsetting financial instruments

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

The financial assets and liabilities are presented on a gross basis.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a Group of similar transactions such as in the Group's trading activity.

(l) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(m) Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants.

Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities, or the se or sale of businesses – are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised rateably over the period in which the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

(n) Dividend income

Dividend income is recognised in the consolidated statement of comprehensive income when the entity's right to receive payment is established.

(o) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(m) Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Property and equipment

(i) Recognition and measurement

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

An asset's net book value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with net book values. These are included in the income statement.

(ii) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative periods are as follows:
Leasehold improvements over the shorter of the useful life of the item or lease term. Land is not depreciated.

-Leasehold improvements	-	25% or over the lease period
-Office equipment	-	20%
-Computer equipment	-	33%
-Office Furniture and fittings	-	20%
-Motor vehicles	-	25%
-Work in progress	-	0%

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

(iii) 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 statement of comprehensive income in the year the asset is derecognised.

(q) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Assets classified as held for sale are measured at fair value, gain or loss arising from a change in the fair value of the asset held for sale is recognised in income statement for the period in which it arise.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated in the financial statements of the Group.

(p) Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. The Group chooses to use the cost model for the measurement after initial recognition. Prior to deployment for usage, such assets are classified under work in progress and are not subjected to amortization.

Amortisation is calculated over 3 years on a straight line basis.

(q) Income tax

(a) Current income tax
Income tax payable is calculated on the basis of the applicable tax law in Nigeria and it consists of Company Income Tax, Minimum tax, Windfall tax, Education tax, NITDEF tax, Nigeria Police Trust Fund levy and NASENI levy

Company Income Tax: Company Income tax is assessed at a statutory rate of 30% of total profit or Dividend Declared, whichever is higher.

Minimum Tax: Minium tax is computed as 0.5% of Gross Turnover less any franked investment income for any financial year or year of assessment.

Windfall Tax: Windfall tax is a one-off tax levied on realised profit on foreign exchange transactions between 2023 to 2025 financial years as cited in the Finance (Amendment) Act, 2024) in Nigeria. It is recognized as an income tax expense and charged to other comprehensive income and a liability due to the tax authority for the period but was applied retrospectively to commence on 1st January 2023. The applicable rate for Windfall tax is 70%.

Tertiary Education Tax: This is computed at a rate of 3% of assessable profit for each year of assessment which is payable on a self-assessment basis.

NITDEF Tax: NITDEF tax is a 1% levy on profit before tax of the current financial year or year of assessment.

NASENI Levy: This is computed as 0.25% of profit before tax of the current financial year or year of assessment.

Nigeria Police Trust Fund Levy: This is computed as 0.005% of profit before tax of the current financial year or year of assessment

In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income). Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) tax authorities, using the rates/laws that has been enacted at the balance sheet date.

The Group does not offset current income tax liabilities and current income tax assets.

(b) 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 consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated 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 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 income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future

Deferred tax related to fair value re-measurement of available for sale instruments, which are recognised in other comprehensive income, is also recognised in other comprehensive income and subsequently in the income statement together with the deferred gain or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

Windfall Tax

Windfall tax is a one-off tax levied on realised profit on foreign exchange transactions between 2023 to 2025 financial years as cited in the Finance (Amendment) Act, 2024) in Nigeria. It is recognized as an income tax expense and charged to other comprehensive income and a liability due to the tax authority for the period but was applied retrospectively to commence on 1st January 2023. The applicable rate for Windfall tax is 70%.

(r) Employee benefits

The Group in addition to its defined contribution scheme under the Pension Reform Act, also sponsors a post-employment plan under which entities within the Group contribute a percentage of employees' basic salary to a fund manager in favour of the employees. The amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by the company to the post-employment benefit plan, together with investment returns arising from the contributions. Thus, actuarial risk (that benefits will be less than expected) and investment risk fall on the employee.

(a) Pension costs

The Company operates a defined contribution scheme in line with the subsisting Pension Act where employees are entitled to join the scheme on confirmation of their employment. The employee and the Company contribute 6% and 12% respectively of the employee's basic salary, transport and rent allowances. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Post-employment defined contribution plan

The Group in addition to its defined contribution scheme under the Pension Reform Act, also sponsors a post-employment plan under which entities within the group contribute a percentage of employees' basic salary to a fund manager in favour of the employees. The amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by the company to the post-employment benefit plan, together with investment returns arising from the contributions. Thus, actuarial risk (that benefits will be less than expected) and investment risk fall on the employee.

(c) Short term employee benefits

Short-term employee benefits are measured at an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a legal or constrcutive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Provisions, contingent liabilities and assets

Provisions are liabilities that are uncertain in amount and timing. Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

A contingent liability is a possible obligation that arises from a 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 Group or the Group has a present obligation as a result of a past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur.

A contingent asset is a possible asset that arises from past events 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 Group.

Contingent assets are not recognised as assets in the consolidated statement of financial position but is disclosed if they are likely to eventuate.

(t) Share capital

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group’s shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors’ but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act 2020 (CAMA).

(c) Treasury Shares

Where the Group or any member of the Group purchases the Group’s shares, the consideration paid is deducted from shareholders’ equity as treasury shares until the shares are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders’ equity

(d) Statutory Reserve

Nigerian Banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16 (1) of the Banks and Other Financial Institutions Act of 1991 (Amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

Likewise, National Pension Commission also requires all Pension Fund Administrations to appropriate 12.5% of the profit after tax to a statutory reserve. The pension fund administrator subsidiary – Pensions Alliance Limited manages this reserve and investment income on this reports under income in the statement of comprehensive income.

(e) Credit Risk Reserve

In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing for losses in risk assets. Assets are classified as performing or non-performing. Non-performing assets are further classed as Substandard, Doubtful or Lost with attendants provision as per the table below based on objective criteria.

Classification	Basis	Percentage provided
Substandard	Interest and/or principal overdue by 90 days but less than 180 days.	10%
Doubtful	Interest and/or principal overdue by more than 180 days but less than 365 days.	50%
Lost	Interest and/or principal overdue by more than 365 days.	100%

A more accelerated provision may be done using the subjective criteria. A 1% provision is taken on all risk assets not specifically provisioned.

The results of the application of Prudential Guidelines and the impairment determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement. Where the Prudential Guidelines provision is greater, the difference is appropriated from Retained Earnings and included in a non-distributable reserve called "Credit Risk Reserve". Where the IFRS 9 impairment is greater, no appropriation is made and the amount of the IFRS 9 impairment is recognised in the Statement of Comprehensive Income.

All provisions determined under Prudential Guidelines are compared with that of IFRS in line with the CBN guidelines

(v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period excluding treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(w) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform to changes in presentation in the current year.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands of naira unless otherwise stated.

3.0 Enterprise Risk Management Review

Management is fully aware that every financial, operational or strategic decision made may either adversely affect or strengthen our ability to meet the Group's organizational objectives. Management is also aware of the need to balance the contradictory pressures of greater entrepreneurialism with losses from downside risks. Thus, risk is seen as the level of exposure – opportunity, threat, and uncertainty that must be identified, understood, measured and effectively managed, as the Group executes its strategies to achieve its business objectives and create value.

The risks associated with the Group's businesses include - financial risks (which consist of credit, market, and liquidity risk), operational risk, concentration risk, reputational risk, interest rate risk, downgrade risk, business risk, regulatory compliance risk and environment and social risk.

For the Group to achieve long term success, it must manage all chosen opportunities and identified threats effectively within the Group's risk appetite.

The risk management philosophy and culture are the set of shared beliefs, values, attitudes and practices that govern how Management considers the risks inherent in the Group's business activities, from strategy development and implementation to day-to-day activities.

Management's risk philosophy is conservative. We believe that a sound risk management system is the foundation for building a vibrant and viable financial institution. Therefore, an enterprise-wide approach to risk management has been adopted, wherein key risks, financial and non- financial, from all areas of the business are managed within the context of the Group's risk appetite.

Consequent upon its risk management philosophy, the Group strives to embed the following guiding principles of its risk culture into its daily practices:

a. The Group insists on a robust risk management governance structure that enables it to manage all major aspects of its activities through an integrated planning and review process that includes strategic, financial, customer and risk planning.

b. Our Board and Senior Management insists on and promotes a strong culture of adherence to limits in managing risk exposure.

c. Risk management in the Group is governed by formally documented and defined policies and procedures, which are clearly communicated to all.

d. The Group avoids products, businesses and markets that it does not fully understand or for which management cannot reasonably and objectively measure and manage the associated risks.

e. The Group strives to maintain a balance between risk/opportunity and revenue consideration with its risk appetite. Thus, risk-related issues are considered in all our business decisions.

f. The Group creates and evaluates business units and enterprise risk profiles to consider what is best for its individual business units and the Group as a whole.

g. The Group's risk officers are empowered to perform their duties professionally and independently within clearly defined authorities.

h. Staff are encouraged to disclose inherent risks and actual losses openly, fully, honestly and quickly.

i. The Group creates a process for institutionalising the lessons learned from risk events and penalises negligent recurrence.

j. The Group has zero tolerance for breach of laws and regulations.

k. The Group has zero appetite for associating with disreputable individuals and organisations

Our risk management objectives are as follows:

a. To identify our material risks and ensure that our business plans are consistent with our risk appetite.

b. To ensure that our business growth plans are properly supported by an effective and efficient risk management function.

c. To manage our risk profile, ensuring that specific financial deliverables remain possible under a range of possible business conditions.

d. To optimise our risk and return trade-off by ensuring that our business units act as primary risk managers while establishing strong and independent review and challenge structures.

e. To protect the Group against unexpected losses and reduce the volatility of our earnings.

f. To maximise risk-adjusted opportunities, earnings potential and ultimately our stakeholder value.

g. To help Management improve the control and coordination of risk-taking across the Group.

h. To build a risk-smart workforce and environment that allows for innovation and responsible risk-taking by our staff while ensuring cost-effective and legitimate precautions are taken to protect the shareholders' interest.

The Group's risk appetite articulates the quantum of residual risk it is prepared to accept or tolerate in pursuit of its strategic business objectives.

The risk appetite guides in setting the parameters listed below:

Financial

a. Financial and prudential ratios are set to meet the minimum statutory requirements

b. Capital-at-risk driven by the Group's shareholder value creation objectives.
c. Capital adequacy is set to exceed the minimum regulatory limits.

Credit

a. Asset quality, measured by the ratio of non-performing loans to total loans.
b. Maximum credit exposure per industry, product, obligor.
c. Zero tolerance for undisciplined lending.

Reputational

a. Favourable reports from external auditors and rating agencies.

b. Zero tolerance for any utterance (by directors or employees) that may impact negatively on the Group's operations.

c. Zero appetite for association with disreputable individuals and organisations.

d. Zero appetite for unethical or illegal and/or unprofessional conduct by our directors, executive management and staff.

Ratings

The Group aims to achieve consistently good ratings issued by domestic or internationally recognised rating agencies. The ratings must reflect sound financial asset quality, strong liquidity position, strong capital adequacy level, strategic positioning in the fundamentals, excellent economy and potential for superior earnings.

Customer Service

a. Acceptable customer attrition level as defined by the Board.

b. Minimum acceptable percentage of satisfied customers from feedback surveys.

c. Acceptable complaints volume.

Regulatory

a. Zero amount or number of sanctions by the CBN and other regulatory agencies.

b. Zero tolerance for infractions and non-compliance with laws.

Market Risk

The following are the objectives for managing market risk in the Group:
• Maintaining market risk within limits in line with the Group's risk appetite;
• Identifying and accurately measuring our market risk exposure to aid efficient decision making; and
• Mitigating and monitoring our market risk exposures effectively.

The Group in managing market risk tracks the following limits:

a. Trading limit

b. Stop loss limits

c. Interest rate gap limits

Liquidity Risk

Within the Group, the following limits are tracked in compliance with regulatory requirements and/or to conform to leading practices in liquidity risk management:

a. Liquidity ratio set to exceed minimum regulatory limits
b. Total deposits to total assets
c. Duration of liquid assets
d. Large fund provider to total deposits
e. Capital adequacy

f. Total loans to total deposits

g. Total earning assets to total assets

h. Aggregate large credit to shareholders funds

The Group also has an established process for allocating the appetite among its business units and subsidiaries.

3.1 Financial Instruments

The groups financial instruments are categorised as follows:

Group

31 December 2024		Financial Assets			Financial Liabilities	
In thousands of Nigerian Naira	Notes	At fair value through profit or loss	At fair value through other comprehensive income	Amortised Cost	At fair value through profit or loss	At amortised cost
Financial assets:						
Cash	15	-	-	163	-	-
Balances with other banks	15					
- Operating balance with Central Bank of Nigeria	15	-	-	1,084,706	-	-
- Balances with banks in Nigeria	15	-	-	1,119,939	-	-
- Balances with banks outside Nigeria	15	-	-	59,375,575	-	-
- Mandatory reserve deposit with Central Bank of Nigeria	15	-	-	17,611,266	-	-
Loans to banks						
- Placements with banks	16	-	-	4,168,614	-	-
Financial instruments at fair value through profit or loss						
- Quoted equity securities	17	588,562	-	-	-	-
- Nigerian Treasury Bills	17	61,489,850	-	-	-	-
- Federal Government of Nigeria Bonds	17	4,281,943	-	-	-	-
- Corporate Bonds	17	-	-	-	-	-
- Mutual Funds	17	1,706,674	-	-	-	-
Trading asset	18	19,701,520				
Derivative financial instruments						
- Foreign exchange forward contract	19	347,140	-	-	-	-
Loans and advances to customers						
- Loans and advances (net of impairment)	20	-	-	135,434,077	-	-
Investment securities						
- Equity securities	21	-	15,666	-	-	-
- Nigerian Treasury Bills	21	-	84,720,736	-	-	-
- Federal Government of Nigeria bonds	21	-	10,561,304	10,444,038	-	-
- State Bonds	21	-	1,378,980			
- Corporate bonds	21	-	4,529,383	-	-	-
- Promissory notes and commercial papers	21	-	676,598	8,327,795	-	-
-Euro Bonds	21		308,615	6,512,363		
Pledged assets						
- Nigerian Treasury Bills	22	141,496,964	16,895,884	-	-	-
- Federal Government of Nigeria bonds	22	-	4,270,877	8,829,932	-	-
Other assets						
- Receivables (net impairment)	24	-	-	9,560,017	-	-
Financial liabilities:						
Trading liabilities	30					1,589,260
Due to banks						
- Secured borrowings	31	-	-	-	-	55,023,797
- Trade Related Obligations to foreign banks	31	-	-	-	-	78,419,803
- Other Balances		-	-	-	-	-
Due to customers						
- Demand	32	-	-	-	-	95,646,022
- Term	32	-	-	-	-	142,826,332
- Client investments fund		-	-	-	-	88,317,361
Derivative financial instruments						
- Foreign exchange forward contract	19	-	-	-	10,176,796	-
Other liabilities						
- Customers' deposit for foreign trade	33	-	-	-	-	35,269,995
- Amounts held on behalf of third parties	33	-	-	-	-	2,671,844
- Unclaimed third party deposits	33	-	-	-	-	9,057
- Sundry creditors	33	-	-	-	-	377,804
- Accruals	33	-	-	-	-	9,098,146
- Minimum pension guarantee	33					252,594
- Dividend payable	33					10,386
- Account payables	33	-	-	-	-	2,173,007
Debt securities						
- FSDH commercial papers and bonds	34	-	-	-	-	19,469,594
Other borrowed funds						
- Due to Development Bank of Nigeria	35	-	-	-	-	11,938,009
- Due to Bank of Industry	35					785,907
		229,612,653	**123,358,043**	**262,468,485**	**10,176,796**	**543,878,918**

Group

31 December 2023		Financial Assets			Financial Liabilities	
In thousands of Nigerian Naira	Notes	At fair value through profit or loss	At fair value through other comprehensive income	Amortised Cost	At fair value through profit or loss	At amortised cost
Financial assets:						
Cash	15	-	-	4,327	-	-
Balances with other banks						
- Operating balance with Central Bank of Nigeria	15	-	-	421,148	-	-
- Balances with banks in Nigeria	15	-	-	5,947,395	-	-
- Balances with banks outside Nigeria	15	-	-	22,855,944	-	-
- Mandatory reserve deposit with Central Bank of Nigeria	15	-	-	22,868,238	-	-
Loans to banks						
- Placements with banks	16	-	-	16,967,382	-	-
Financial instruments at fair value through profit or loss						
- Quoted equity securities	17	231,835	-	-	-	-
- Nigerian Treasury Bills	17	27,321,208	-	-	-	-
- Federal Government of Nigeria Bonds	17	445,287	-	-	-	-
- Corporate Bonds	17	417,140	-	-	-	-
- Mutual Funds	17	1,630,648	-	-	-	-
Trading asset	18	19,700,513				
Derivative financial instruments						
- Foreign exchange forward contract	19	48,775,795	-	-	-	-
Loans and advances to customers						
- Loans and advances (net of impairment)	21	-	-	123,777,042	-	-
Investment securities						
- Equity securities		-	-		-	-
- Nigerian Treasury Bills	21	-	6,678,346		-	-
- Federal Government of Nigeria bonds	21	-	2,977,361	6,997,764	-	-
- Corporate bonds	21	-	4,462,321		-	-
- Promissory notes and commercial papers	21	-	29,501,098		-	-
- State Bonds	21		1,840,918			
- EuroBonds	21		1,892,074			
Pledged assets						
- Nigerian Treasury Bills	22	25,331,745	1,111,997		-	-
- Federal Government of Nigeria bonds	22	-	4,066,500	1,530,800	-	-
- Corporate bonds		-			-	-
- Promissory notes and commercial papers		-				
Other assets						
- Receivables	24	-	-	25,144,171	-	-
Financial liabilities:						
Due to banks						
- Current account - local						
- Current account - foreign						
-Trading liabilties	30					19,981,925
- Call borrowings	31	-	-	-	-	15,486,096
- Secured borrowings	31	-	-	-	-	9,556,236
- Trade Related Obligations to foreign banks	31	-	-	-	-	6,309,798
- Other Balances	31	-	-	-	-	
Due to customers						
- Liabilities under repurchase agreements		-	-	-	-	
- Demand	32	-	-	-	-	59,754,202
- Term	32	-	-	-	-	65,653,325
- Client investments fund	32	-	-	-	-	47,872,290
Derivative financial instruments						
- Foreign exchange forward contract	19	-	-	-	1,497,920	
Other liabilities						
- Customers' deposit for foreign trade	33	-	-	-	-	6,994,037
- Amounts held on behalf of third parties	33	-	-	-	-	1,644,927
- Unclaimed third party deposits	33	-	-	-	-	13,561
- Sundry creditors	33	-	-	-	-	211,968
- Accruals	33	-	-	-	-	1,963,516
- Minimum pension guarantee	33					201,903
- Account payables	33	-	-	-	-	2,083,311
Debt securities	34	-	-	-	-	36,765,673
Other borrowed funds	35					88,797,590
		123,854,171	**52,530,615**	**226,514,212**	**1,497,920**	**363,290,358**

Company

31 December 2024		Financial Assets			Financial Liabilities	
In thousands of Nigerian Naira	Notes	At fair value through profit or loss	At fair value through other comprehensive income	Amortised Cost	At fair value through profit or loss	Amortised cost
Financial assets:						
Cash and bank balances						
- Balances with banks in Nigeria	15	-	-	75,090	-	-
Financial instruments held for trading						
Investment securities						
Nigerian Treasury Bills	17	1,480,894				
- Mutual funds	17	331,969	-	-	-	-
Loans and advances						
- Loans and advances (net of impairment)	20	-	-	1,330	-	-
Other assets						
- Receivables (net impairment)	24	-	-	6,058,491	-	-
Financial liabilities:						
Other liabilities						
- Accruals	33	-	-	-	-	924,825
- Other payable	33	-	-	-	-	506,587
Debt securities	34					1,904,478
		1,812,863	**-**	**6,134,912**	**-**	**3,335,890**

Company

31 December 2023		Financial Assets			Financial Liabilities	
In thousands of Nigerian Naira	Notes	At fair value through profit or loss	At fair value through other comprehensive income	Amortised Cost	At fair value through profit or loss	Amortised cost
Financial assets:						
Cash and bank balances						
- Balances with banks in Nigeria	15	-	-	247,411	-	-
Financial instruments held for trading						
- Mutual funds	17	498,358	-	-	-	-
Loans and advances						
- Loans and advances (net of impairment)	17	-	-	1,852	-	-
Other assets						
- Receivables (net impairment)	25	-	-	1,644,384	-	-
Financial liabilities:						
Other liabilities						
- Sundry creditors	33	-	-	-	-	200,513
- Accruals	33	-	-	-	-	1,764,116
- Other payable	33	-	-	-	-	2,534,817
		498,358	**-**	**1,893,647**	**-**	**4,499,447**

3.1.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's loans and advances to customers and other banks, and investment in debt securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor risk, country risk and sector risk).

The Group has in place an Enterprise Risk Management (ERM) Framework that defines the overall principles under which it assumes risks. The standard sets out the overall framework for the consistent and unified governance, identification, measurement, management and reporting of risk, credit risk being a significant one.

These policies provide a comprehensive framework within which all credit risk emanating from the operations of Group are legally executed, properly monitored and controlled to minimise the risk of financial loss; and assure consistency of approach in the treatment of regulatory compliance requirements.

3.1.2 Settlement Risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. "Settlement risk" is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations

3.1.3 Principal Credit Policies

The principal credit policies guiding the Group shields the Group against inherent and concentration risks through all the credit levels of selection, underwriting, administration and control.

Some of the policies are:

· Credit will only be extended to suitable and well identified customers

· Exposures to any industry or customer will be determined by the regulatory guidelines, clearly defined internal policies, debt service capability and balance sheet management guidelines.

· Credit will not be extended to customers where the source of repayment is unknown or speculative and also where the destination of the funds is unknown. There must be a clear and verifiable purpose for the use of funds.

- Corporate bonds

· The primary source of repayment for all credits must be from identifiable cash flows from the counterparty's normal business operations or other financial arrangements. The realization of security remains a fall back option.

· A pricing model that reflects variations in the risk profile of various credit facilities to ensure that higher risks are compensated with higher returns.

· All conflict of interest situations must be avoided.

3.1.4 Credit Risk Measurement

Over the years, the Group has expanded its operational scope and enhanced its suite of financial advisory services to its clientele. The product offerings of the Group include buying and selling of securities, term loans, invoice discounting, overdraft, commercial facilities, asset backed notes, LPO/Contract financing, trade finance, foreign exchange, bonds and guarantees, loan syndications, project finance, structured finance, corporate finance and financial advisory services (debt & equity).

Credit risk represents the loss that the Group would incur if a counterparty (such as a bank, corporate, individual or sovereign) or an issuer of securities (or other instruments the Group holds) fails to perform its contractual obligations or upon deterioration in the credit quality of third parties whose securities or other instruments it holds.

Over the years, the Group has devoted resources and harnessed its credit data into developing models to improve the determination of economic and financial threats due to credit risk. As a result, some key factors are considered in credit risk measurement:

1) Adherence to strict credit selection criteria which includes a defined target market, credit history, capacity and character of the customers.

2) The possibility of failure to pay over the period stipulated in the contract.
3) The size of the facility in case default occurs

4) Estimated rate of recovery which is a measure of the portion of debt that can be regained through freezing of assets and collateral should default transpire.

Methodology for Risk Rating

For loans & advances and placement with banks, the Group utilises Obligor Risk Rating and Facility Risk Rating models to assign ratings to obligor and facilities in line with the Bank's Credit Policy. The Obligor Risk Rating models include the Bank Risk Rating and Corporates Risk Rating models. The Group utilises the Bank Rating model and the Corporate Rating model to rate bank and corporate organisations respectively. Each rating model considers qualitative and quantitative conditions of the obligor. For the quantitative analysis, a three year history of financial position is required to adequately appraise the customer and the financial performance is benchmarked against industry averages. The qualitative section covers corporate governance issues, industry and business considerations to give a perception of the customer.

In summary, the key factors considered while doing an appraisal of the customer include:

· A measure of the financial and non financial risks of the borrower. In order to properly evaluate the non financial risks of the borrower, a thorough industry analysis is carried out by a dedicated team in Risk Management. This is used as a benchmark for the obligor

· Obligor rating considers the financial condition, management and ownership structure, industry and other qualitative factors of the customer.

· Facility rating recognises the risk mitigation and facility structuring as features of the credit facility. Considerations here include the nature and quality of collateral, the structure of the loan, and the nature and purpose of the loan, among others.

Ratings are assigned to customer for a period of one year. The exception to the foregoing is if the facility is project finance. Project finance facilities are monitored after the initial rating for any sign(s) of distress.

All ratings are reviewed annually. More frequent reviews are occasioned by unexpected developments such as policy and market changes. Changes to the obligor's status and/or capability will also trigger a review. The group generally avoids high risk obligors that will warrant frequent reviews and management.

The Group maintains the under listed rating grade which is applicable to both new and existing customers. A self explanatory rating grid showing how ratings are assigned is illustrated below:

S/N	Credit Rating
1	AAA
2	AA+
3	AA
4	AA-
5	A+
6	A
7	A-
8	BBB+
9	BBB
10	BBB-
11	BB+
12	BB
13	BB-
14	B+
15	B
16	B-
17	CCC+
18	CCC
19	CCC-
20	CC+
21	CC
22	CC-
23	C+
24	C
25	C-

A "+" (plus) or "-" (minus) sign may be assigned to ratings from Aa to C to reflect comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.

3.1.5 Risk limit and control mitigation policies

The medium by which limits for banks and issuers are created is the credit appraisal memoradum(CAM). A signed CAM must evidence all types of credit lines being considered for the client. The Board of Directors of the Bank set up a Board Risk Committee (BRC) with the authority to approve credit facilities on behalf of the Board. The Board also gave the authority to grant credit approval to the Management Risk Committee (MRC).

All credits in the Group are rated using the Group's internal rating model. As part of the credit appraisal process, such rating is compared and evaluated against published ratings of external rating agencies.

These ratings, apart from determining values of credit to be advanced to an obligor, also guides Management and the Board on authorisation limits for approving credit facilities.

This laid down authority governs credit extension by the banking subsidiary is as below -

Approving Authority	% of Single Obligor Limit/ Facility Type	Limit	Facility Rating
Management Risk Committee	Up to 95% of Single Obligor Limit (when secured by cash, FGN Bonds, FGN Sukuk bonds, FGN issued instruments, T/Bills, FX (major currencies), FSDH issued CP, FSDH issued bonds and Nigerian Sovereign Eurobonds	Up to N14.67 billion	Aa – Aaa
Management Risk Committee	Facilities with non-cash collateral	N300 million	Bbb - Aaa
Board Risk and Credit Committee (BRCC)	All facilities	Up to N6 billion	Aa - Aaa
Board Risk and Credit Committee (BRCC)	All facilities	Up to N3.7 billion	Bbb - A
Full Board	All facilities	Up to single obligor limit	Bbb- Aaa
Full Board	All facilities	Up to N1.26 billion	B - Bb
Full Board	All facilities	Up to N0.75 billion	C
Board Risk and Credit Committee (BRCC)	Facilities when secured with Commercial Papers, Guarantees or bonds of Reputable Companies (Aaa and Aa ratings). *Reputable Companies will be categorised as companies who have investment grade ratings.	to the Board approved limit of the Reputable Compa	Aa - Aaa

***** The Management Risk Committee of the bank comprise the officers specified below, signing jointly:

- Chief Risk Officer
- Executive Directors
- Managing Director/CEO

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2024 were Inflation, exchnage rate and Crude Oil Price using Brent as the benchmark considering its ability to be forecasted into the future.

31 December 2024		2024	2025	2026	2027
Exchange Rate - Using NAFEX as reference	Base Case	1600.03	1550.00	1570.00	1820.00
	Optimistic Case	1191.26	1303.65	1422.51	1550.72
	Pessimistic Case	1819.40	2116.42	2515.63	2417.62
Inflation(%)	Base Case	0.20	0.17	0.16	0.15
	Optimistic Case	0.15	0.15	0.14	0.14
	Pessimistic Case	0.25	0.20	0.18	0.16
Brent Crude Price - Year on Year	Base Case	86.58	86.78	84.12	84.12
	Optimistic Case	89.25	88.87	88.00	88.00
	Pessimistic Case	84.00	83.45	79.24	79.24

31 December 2024		2024	2025	2026	2027
Brent Crude Price - Year on Year	Base Case	86.57857143	86.78	84.12	84.12
	Optimistic Case	89.25	88.87	88	88
	Pessimistic Case	84	83.45	79.24	79.24

SENSITIVITY ANALYSIS
The most significant assumptions affecting the ECL allowance for 31 December 2024 was:

Set out below are the changes to the ECL as at 31 December 2024 that would result from reasonable possible changes in the EAD, LGD and PD from the actual assumptions used in the bank's economic variable assumptions (for example, the impact on ECL of increasing the estimated crude oil price by 10%).

GROUP
December 2024

	10%	No change	-10%
Brent Crude Price	2,623,623	1,895,480	1,963,148

December 2023	10%	No change	-10%
Brent Crude Price	1,690,403	1,878,226	1,992,596

COMPANY
The impact on the ECL for the company on change in estimation of ECL parameters are considered insignificant.

3.1.6 Collateral Policies

To minimise the risk of loss by the Group in the event of a decline in quality or delinquency, the Group ensures that credit exposures have appropriate collateral. Security documents are reviewed to ensure their continuous enforceability. Also, securities held against exposures are reviewed regularly to ensure realisability and value. Where diminution in value has occurred, appropriate steps are taken to shore up such positions.

This is done throughout the life of the credit exposure.

Collateral securities pledged to the Group must be in negotiable form and its types include the following:

- Real estate, plant and equipment collateral (usually all asset or mortgage debenture or charge) which have to be registered and enforceable under Nigerian law
- Collateral consisting of inventory, account receivables, floating debenture, etc., which have to be registered and, must be enforceable in Nigeria and under Nigerian law.
- Stocks and shares of publicly quoted companies
- Domiciliation of payment on contracts
- Letters of Lien

Currently, the various types of collateral held are against our margin facilities. They consist of stocks and shares of publicly quoted companies, real estate, letters of lien, domiciliation of payment contracts and charge on assets.

FSDH shall track, value and give or receive collateral during the eligible or applicable life of every credit transaction. General tasks on a day to day basis shall include:

- Managing collateral movement – record details of collateral, monitor customer exposure and collateral received or posted.
- Mark-to-market situation or position where applicable and call for margins as may be required.
- Deal with disagreements and disputes over exposure calculations and collateral valuations.
- Provide custody, clearing and settlement (depending on how the legal relationship is structured)
- Manage collateral inflows and outflows
- Do regular valuations (quarterly at the minimum) of all securities. Depending on security type (equity or fixed income), valuation can be done on an end of day (EOD) basis
- Deal with requests for collateral substitution where required

To ensure ease of realisation of collateral in the event of non-performance, all credit documentation requirements shall be met before a credit facility is availed and where there are waivers, relationship officers and Risk Management Department must ensure that such waivers are resolved within the approved period.

As a matter of good business practice, adequate security ought to be taken from a customer, whose financial standing and track record do not justify lending on a clean basis.

Clean lending situations may arise where it makes economic sense to do so based on perceived client's credit risk.
Therefore, depending on counterparty obligor/facility rating, collateral security may be waived as a pre-condition for granting the facility. Consequently, obligors with ratings below investment grade must, as a necessity, provide acceptable security before approval can be granted. Obligors with Investment Grade credit ratings may be allowed clean facility, depending on their financial standing. Accordingly, such decisions shall be taken by Management and/or the Board Risk Committee where necessary.
For placements with financial institutions which consist of mainly banks, the amount of credit extended is based on the strength of the institution as shown by the Group's internal rating model.

3.1.7 Maximum exposure to credit risk before collateral held or other credit enhancements

The table below shows the maximum exposure of financial assets to credit risk as of the balance sheet date;

Maximum Exposure to Credit Risk
Group

	Notes	**Dec-24 ₦'000**	**Dec-23 ₦'000**
Cash and bank balances			
Balances with other banks			
- Operating balance with Central Bank of Nigeria	15	1,084,706	421,148
- Balances with banks in Nigeria	15	1,119,939	5,947,395
- Balances with banks outside Nigeria	15	59,375,575	22,855,944
- Mandatory reserve deposit with Central Bank of Nigeria	15	17,611,266	22,868,238
Loans to banks			
- Placements with banks	16	4,168,614	16,967,382
Financial instruments held for trading/fair value through profit or loss			
- Nigerian Equity	17	588,562	231,835
- Nigerian Treasury Bills	17	61,489,850	27,321,208
- Federal Government of Nigeria Bonds	17	4,281,943	445,287
- Mutual funds	17	1,706,674	1,630,648
- Corporate Bonds	17	-	417,140
Trading asset	17	19,701,520	19,700,513

Derivative financial instruments			
- Foreign exchange forward contract	19	347,140	48,775,795
Loans and advances to customers			
- Loans and advances (net of impairment)	20	135,434,077	123,777,042
Investment securities			
- Equities	21	15,666	15,666
- Nigerian Treasury Bills	21	84,720,736	6,678,346
- Federal Government of Nigeria bonds	21	21,005,342	9,949,965
- Corporate bonds	21	4,529,383	4,462,321
- Promissory notes and commercial papers	21	9,004,393	29,501,098
- State Govt Bonds	21	1,378,980	1,840,918
-Euro Bonds FVOCI	21	6,820,978	1,892,074
Pledged assets			
- Nigerian Treasury Bills	22	158,392,848	26,443,742
- Federal Government of Nigeria bonds		4,270,877	5,597,300
- Federal Government of Nigeria bonds Amortised			1,530,800
- Corporate bonds		-	-
- Promissory notes and commercial papers		-	-
Other assets			
- Receivables (net of impairment)	24	9,560,017	25,144,171
		606,609,086	404,415,976
Credit related commitments			
- Letters of Credit	43	21,205,789	21,432,819
- Performance bonds and guarantees	43	15,236,217	12,621,751
- Loan commitments	43	23,330,694	29,881,867
		59,772,700	63,936,437

Company

	Notes	Dec-24 ₦'000	Dec-23 ₦'000
Cash and bank balances			
Balances with other banks			
- Balances with banks in Nigeria	15	75,169	247,411
Loans to banks			
- Placements with banks		-	-
- Placements with other financial institutions		-	-
Financial instruments held for trading/fair value through profit or loss			
- Nigerian Treasury Bills	17	1,480,894	-
- Mutual fund	17	331,968	498,358
Loans and advances to customers			
- Loans and advances (net of impairment)	20	1,330	1,852
Other assets			
- Receivables	24	6,058,492	1,644,385
		7,947,853	2,392,005

3.1.8 Concentrations of Credit Risk

The group monitors concentration of credit risk by geographical location and by industry. An analysis of concentrations of credit risk as at 31 December 2024 and 31 December 2023 is set out below:

a) Geographical sectors

The group considers the credit exposure to geographical sectors. A large percentage of our credit facilities are domiciled in Nigeria for all periods. For exposures to balances with banks, the group is exposed to credit risk to banks within and outside Nigeria.

The table below shows the financial instruements in accordance with their geographical spread as at 31 December 2024.

In thousands of Nigerian Naira	Within Nigeria	Outside Nigeria	Total
Financial assets:			
Cash and bank balances			
Balances with other banks			-
- Operating balance with Central Bank of Nigeria	1,084,706	-	1,084,706
- Balances with banks - Nigeria Nigeria	1,119,939	-	1,119,939
- Balances with banks outside Nigeria	-	59,375,575	59,375,575
- Mandatory reserve deposit with Central Bank of Nigeria	17,611,266	-	17,611,266
Loans to banks			
- Placements with banks	4,168,614	-	4,168,614
Financial instruments held as fair value through profit or loss			

Equity	15,666		15,666
- Nigerian Treasury Bills	61,489,850	-	61,489,850
- Federal Government of Nigeria Bonds	4,281,943	-	4,281,943
Mutual Funds	1,706,674		
Trading Asset	19,701,520		19,701,520
			-
Derivative financial instruments			
- Foreign exchange forward contract	347,140	-	347,140
Loans and advances			
- Loans and advances (net of impairment)	135,434,077	-	135,434,077
Investment securities			
- Nigerian Treasury Bills	84,720,736	-	84,720,736
- Federal Government of Nigeria bonds	21,005,342	-	21,005,342
- Corporate bonds	4,529,383	-	4,529,383
- Promissory Notes & Commercial Bills	9,004,393	-	9,004,393
- State Govt Bonds	1,378,980		1,378,980
' -Euro Bonds	6,820,978		6,820,978
-Unquoted equity	15,666	-	15,666
Pledged assets			
- Nigerian Treasury Bills	158,392,848	-	158,392,848
- Federal Government of Nigeria bonds	4,270,877	-	4,270,877
- Corporate bonds	-	-	-
- Promissory notes and commercial papers	-	-	-
Other assets			
-Receivables	9,560,017	-	9,560,017
Total	**546,660,615**	**59,375,575**	**606,036,190**
Off balance sheet financial assets			
- Letters of Credit	21,205,789	-	21,205,789
- Performance bonds and guarantees	15,236,217	-	15,236,217
- Loan commitments	23,330,694	-	23,330,694
Total	**59,772,700**	**-**	**59,772,700**

b) Industrial classification

The following table breaks down the group's credit exposure at their carrying amounts (without taking into account any collateral held or other credit support) categorised by industries as at 31 December 2024

Group
31 December 2024

In thousands of Nigerian Naira	Personal Care	Government	Finance institutions	Conglomerate & Consumer goods	Oil and Gas Upstream	Mortgage Institution	Oil and Gas Services	Agro Services/ Crop Products	Telecoms	Plastics	Information Services Activities	Food Products	Pharmaceuticals	Power Generation/ Plants	General - Logistics	Other financial activities	Others	Steel Rolling Mills	Chemical & Allied Products	Beverages	Total
Financial assets:																					
Cash and bank balances																					
Balances with other banks																					
- Operating balance with Central Bank of	-	1,084,706	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**1,084,706**
- Balances with banks in Nigeria	-	-	1,119,939	-	-		-	-	-	-	-	-	-	-	-	-	-		-		**1,119,939**
- Balances with banks outside Nigeria	-	-	59,375,575	-	-		-	-	-	-	-	-	-	-	-	-	-		-		**59,375,575**
- Mandatory reserve deposit with Central Bank of Nigeria	-	17,611,266	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**17,611,266**
																					-
Loans to banks																					**-**
- Placements with banks	-		4,168,614	-	-		-	-	-	-	-	-	-	-	-	-	-				**4,168,614**
- Placements with other financial institutions	-	-		-	-		-	-	-	-	-	-	-	-	-	-	-		-		**-**
																			-		**-**
Financial instruments at fair value through profit of loss																					**-**
'- Equity																	588,562				**588,562**
- Nigerian Treasury Bills	-	61,489,850	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**61,489,850**
- Federal Government of Nigeria Bonds	-	4,281,943	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**4,281,943**
- Corporate Bonds	-		-	-	-		-	-	-	-	-	-	-	-	-	-	-				**-**
- Mutual Funds	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	1,706,674				**1,706,674**
Trading asset		19,701,520																			**19,701,520**
Derivative financial instruments																					**-**
- Foreign exchange forward contract	-	279,376	-	-	-		-								67,764						**347,140**
																					-
Loans and advances																					**-**
- Loans and advances	-	475,880		13,399,384	9,946,530			29,401,202	807,356		765,332			1,256,266	5,331,877	10,046,567	64,955,443				**135,434,077**
																					-
																					-
Investment securities																					**-**
- Nigerian Treasury Bills	-	84,720,736	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**84,720,736**
- Federal Government of Nigeria Bonds	-	21,002,569	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**21,002,569**
- Corporate bonds	-	4,529,383		-	-		-	-	-	-	-	-	-	-		-	-		-	-	**4,529,383**
- Promissory Notes and Commercial Papers		9,004,393	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**9,004,393**
- Unquoted equities	-	15,666																			**15,666**
- State Bonds	-	1,378,980																			**1,378,980**
- Euro Bonds		6,820,978																			**6,820,978**
Pledged assets																					**-**
- Nigerian Treasury Bills	-	158,392,848	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**158,392,848**
- Federal Government of Nigeria bonds	-	4,270,877	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**4,270,877**
- Corporate bonds	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- Promissory Notes and Commercial Papers	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
																					-
Other assets																					**-**
- Receivables	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	9,560,017				**9,560,017**
Total	**-**	**394,109,211**	**64,664,128**	**13,399,384**	**9,946,530**	**-**	**-**	**29,401,202**	**807,356**	**-**	**765,332**	**-**	**-**	**1,256,266**	**5,399,642**	**10,046,567**	**76,810,696**	**-**	**-**	**-**	**606,606,313**

Credit related commitments	Chemical and Allied Product	Agro Services	Cement	Oil & Gas Downstream	Oil & Gas Services	Manufacturing	Information Services	Power Generation/ Plants	Logisticss	Domestic Trade	Power Generation/ Plants	Food Products	Travel Agencies	Travel Agencies	Domestic Trade	Food Manufacturing	Finance & Institutions	Personal Care	Conglomerates	Others	Total
- Letters of Credit	2,176,722	435,709				288,068	24,054	367,582	12,392,000											5,545,707	21,229,843
- Performance bonds and guarantees				2,000,000			-	6,169,546		985,000			162,000							5,919,671	15,236,217
- Loan commitments	488,180	4,707,104			-	764,986	-	1,056,467	617,244	387,472	-									15,285,188	23,306,640
Total	**2,664,902**	**5,142,813**	**-**	**2,000,000**	**-**	**1,053,054**	**24,054**	**7,593,596**	**13,009,244**	**1,372,472**	**-**	**-**	**162,000**	**-**	**-**	**-**	**-**	**-**	**-**	**26,750,566**	**59,772,700**

31 December 2023

In thousands of Nigerian Naira	Personal Care	Government	Finance institutions	Conglomerate & Consumer goods	Oil and Gas Upstream		Oil and Gas Services	Agro Services	Telecoms	Plastics	Information Services Activities	Food Products	Pharmaceuticals	Power Generation/ Plants	General - Logistics	Other financial activities	Others	Personal Care	Asset Management	Conglomerate	Total
Financial assets:																					
Cash and bank balances																	4,327				**4,327**
Balances with other banks																					-
- Operating balance with Central Bank of	-	421,148	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**421,148**
- Balances with banks in Nigeria	-	-	5,947,395	-	-		-	-	-	-	-	-	-	-	-	-	-				**5,947,395**
- Balances with banks outside Nigeria	-	-	22,855,944	-	-		-	-	-	-	-	-	-	-	-	-	-				**22,855,944**
- Mandatory reserve deposit with Central Bank of Nigeria	-	22,868,238	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**22,868,238**
																					-
Loans to banks																					-
- Placements with banks	-		16,936,608	-	-		-	-	-	-	-	-	-	-	-	-	-				**16,936,608**
- Placements with other financial institutions	-	-		-	-		-	-	-	-	-	-	-	-	-	-	-		-	-	-
																			-	-	-
Financial instruments at fair value through profit of loss																			-		-
'- Equity																	231,835		-	-	**231,835**
- Nigerian Treasury Bills	-	27,321,208	-	-	-		-	-	-	-	-	-	-	-	-	-	-			-	**27,321,208**
- Federal Government of Nigeria Bonds	-	445,287	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**445,287**
- Corporate Bonds	-	417,140	-	-	-		-	-	-	-	-	-	-	-	-	-	-		-	-	**417,140**
- Mutual Funds	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	1,630,648.00		-	-	**1,630,648**
Trading asset		19,700,513																	-		**19,700,513**
Derivative financial instruments																					-
- Foreign exchange forward contract	-		47,679,990					1,095,805													**48,775,795**
																					-
Loans and advances						1,042,410															**1,042,410**
- Loans and advances (net of impairment)		-	19,427,519	13,019,616	14,270,811		14,270,811	16,376,909	1,538,266	4,152,648	1,042,410	2,845,789		1,501,431	3,631,825		19,375,527	4,271,770	2,109,252	4,900,050	**122,734,632**
																					-
																					-
Investment securities																					-
- Nigerian Treasury Bills	-	6,678,346	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**6,678,346**
- Federal Government of Nigeria Bonds	-	9,949,965	-	-	-		-	-	-	-	-	-	-	-	-	-	-				**9,949,965**
- Corporate bonds	-	1,165,371		871,800	-		-	-	-	-	-	-	-	-	1,969,617	-	455,533.74		-	-	**4,462,321**
- Promissory Notes and Commercial Papers		28,831,323	-	-	-		-	-	-	-	-	-	-	-	-	-	669,775.41				**29,501,098**
- Unquoted equities	-	-															15,666.00				**15,666**
- State Bonds	-	1,840,918																			**1,840,918**
-'EuroBonds		455,534						1,436,540													**1,892,074**
																					-
Pledged assets																					-
- Nigerian Treasury Bills	-	26,443,742	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**26,443,742**
- Federal Government of Nigeria bonds	-	5,597,300	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**5,597,300**
- Corporate bonds	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Promissory Notes and Commercial Papers	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																					-
Other assets																					
- Receivables	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	25,144,171	-	-	-	**25,144,171**
Total	**-**	**152,136,032**	**112,847,457**	**13,891,416**	**14,270,811**		**14,270,811**	**18,909,255**	**1,538,266**	**4,152,648**	**1,042,410**	**2,845,789**	**-**	**1,501,431**	**5,601,442**	**-**	**47,527,484**	**4,271,770**	**2,109,252**	**4,900,050**	**402,858,730**

Credit related commitments	Chemical and Allied Product	Agro Services	Cement	Oil & Gas Downstream	Oil & Gas Services	Plastic	Flourmills	Beverages	Steel Rolling	Power Generation/ Plants	Logistics	Pharmaceuticals	Manufacturing	Domestic Trade	Food Manufacturing	Finance & Institutions	Personal Care	Conglomerates	Others	Conglomerate	Total
- Letters of Credit	135,832	793,795	4,690,262	-	-	-	-	-	2,233,180	826,798	9,721,094	-	283,829	-	1,423,642	-	-	-	1,324,387		**21,432,818**
- Performance bonds and guarantees	8,356	-	-	1,750,000	-	1,135,506	-	-	-	3,934,587	-	-	-	290,000	-	-	-	-	6,638,808		**13,757,257**
- Loan commitments	2,234,698	8,206,681			-			3,651,450			769,925	-	3,739,640	47,570	5,090,725				4,463,052		**28,203,740**
Total	**2,378,886**	**9,000,476**	**4,690,262**	**1,750,000**	**-**		**-**	**3,651,450**	**2,233,180**	**4,761,385**	**10,491,019**	**-**	**4,023,469**	**337,570**	**6,514,367**	**-**	**-**	**-**	**12,426,247**	**-**	**63,393,815**

Company

31 December 2024

In thousands of Nigerian Naira	Chemical and Allied Product	Government	Finance and Insurance	Conglomerate	Oil and Gas Upstream		Oil and Gas Downstream	Real Estate	Telecoms	Crop Production	Flour Mills and Bakeries	Food Products	Pharmaceuticals	Power Generation/ Plants	General - Logistics	Textiles and Apparel	Others	Steel Rolling Mills	Chemical & Allied Products	Beverages	Total
Financial assets:																					
Cash and bank balances																					
- Balances with banks in Nigeria	-	-	75,169	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**75,169**
- Balances with banks outside Nigeria	-	-	-	-	-		-	-	-		-				-		-				**-**
- Mandatory reserve deposit with Central Bank of Nigeria	-	-	-	-	-		-	-	-		-				-		-				**-**
																					-
Loans to banks																					**-**
- Placements with banks	-	-	-	-	-		-	-	-		-				-		-				**-**
- Placements with other financial institutions	-	-	-	-	-		-	-	-		-				-		-				**-**
																					-
Financial instruments held as fair value through profit or loss																					**-**
- Nigerian Treasury Bills	-	1,480,894	-	-	-		-	-	-		-				-		-				**1,480,894**
- Federal Government of Nigeria Bonds	-		-	-	-		-	-	-		-				-		-				**-**
- Corporate Bonds		-	-																		**-**
																					-
Derivative financial instruments																					**-**
- Foreign exchange forward contract		-																			**-**
Loans and advances																					
- Loans and advances (net of impairment)	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	1,330	-	-	-	**1,330**
Financial instruments at fair value through profit of loss																					
- Mutual Fund	-	-	331,969	-	-		-	-	-	-	-	-	-	-	-	-	-				**331,969**
Investment securities																					
- Nigerian Treasury Bills	-	-	-	-	-		-	-	-		-				-		-				
- Federal Government of Nigeria bonds	-	-		-	-		-	-	-		-				-		-				
- State Government and Corporate bonds	-		-	-	-		-	-	-		-				-		-				
		-			-		-	-	-		-				-		-				
Pledged assets																					
- Nigerian Treasury Bills	-	-																			
- Federal Government of Nigeria bonds	-	-	-	-	-		-	-	-		-				-		-				
- State Government and Corporate bonds	-		-	-	-		-	-	-		-				-		-				
		-	-	-	-		-	-	-		-				-		-				
Other assets																					
- Receivables	-	-	5,778,387	-	-		-	-	-	-	-	-	-	-	-	-	280,105	-	-	-	**6,058,491**
Total	**-**	**1,480,894**	**6,185,524**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**281,435**	**-**	**-**	**-**	**7,947,854**

31 December 2023

In thousands of Nigerian Naira	Chemical and Allied Product	Government	Finance and Insurance	Conglomerate	Oil and Gas Upstream		Oil and Gas Downstream	Real Estate	Telecoms	Crop Production	Flour Mills and Bakeries	Food Products	Pharmaceuticals	Power Generation/ Plants	General - Logistics	Textiles and Apparel	Others	Personal Care	Asset Management	Conglomerate	Total
																					-
Financial assets:																					**-**
																					-
Cash and bank balances																					**-**
- Balances with banks in Nigeria			247,411																		**247,411**
																					-
Loans to banks																					**-**
- Placements with banks			402,564																		**402,564**
- Placements with other financial institutions																					**-**
																					-
Loans and advances																					**-**
- Loans and advances (net of impairment)																	1,852				**1,852**
																					-
Other assets																					**-**
- Receivables			1,370,003														274,382				**1,644,385**
Total	**-**	**-**	**2,019,978**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276,234**	**-**	**-**	**-**	**2,296,212**

3.1.9 Credit Quality

The following table breaks down the group's credit exposure and their carrying amounts (without taking into account any collateral held or other credit support) categorised by credit quality:-

Group
31 December 2024

In thousands of Nigerian Naira	Stage 1 Assets	Stage 2 Assets	Stage 3 Assets	Gross	Impairment allowance	Net
Financial assets:						
				-		-
Balances with other banks						
- Operating balance with Central Bank of Nigeria	1,084,706	-	-	1,084,706	4	1,084,702
- Balances with banks in Nigeria	1,119,939	-	-	1,119,939	204	1,120,143
- Balances with banks outside Nigeria	59,375,575	-	-	59,375,575	5,299	59,380,874
- Mandatory reserve deposit with Central Bank of Nigeria	17,611,266	-	-	17,611,266	765	17,612,031
				-		
Loans to banks				-		
- Placements with banks	4,168,614	-	-	4,168,614	16,448	4,152,166
Financial instruments held for trading				-		-
Equity	588,562			588,562		588,562
- Nigerian Treasury Bills	61,489,850	-	-	61,489,850	-	61,489,850
- Federal Government of Nigeria Bonds	4,281,943	-	-	4,281,943	-	4,281,943
- Corporate Bonds	-	-	-	-	-	-
- Mutual funds	1,706,674	-	-	1,706,674	-	1,706,674
						-
Trading asset	19,701,520			19,701,520		19,701,520
Derivative financial instruments						
- Foreign exchange forward contract	347,140	-	-	347,140	-	347,140
Loans and advances						
- Loans and advances	135,445,244	-	2,930,324	138,375,568	2,941,491	135,434,077
				-		-
Investment securities				-		-
Equity	15,666			15,666		15,666
- Nigerian Treasury Bills	84,720,736	-	-	84,720,736	14,806	84,705,930
- Federal Government of Nigeria bonds	21,005,342	-	-	21,005,342	18,861	20,986,481
- Corporate bonds	4,529,383	-	-	4,529,383	327,219	4,202,164
- Promissory Notes and Commercial Papers	9,004,393	-	-	9,004,393	414	9,003,979
- State Bonds	1,378,980	-	-	1,378,980	1,670	1,377,310
Eurio Bonds	6,820,978			6,820,978	244,968	6,576,010
Pledged assets						
- Treasury bills	158,392,848	-	-	158,392,848	-	158,392,848
- Federal Government of Nigeria bonds	13,100,809	-	-	13,100,809	-	13,100,809
						-
Other asset	11,956,893		127,597	12,084,490	516,528	11,567,962
Total	**617,847,061**	**-**	**3,057,921**	**620,904,982**	**4,088,678**	**616,828,841**

3.1.10 Collaterals

The group holds collateral and other credit enhancements against certain of its credit exposures.

3.1.11 RATINGS

The credit quality of the portfolio of financial assets in stages 1 and stages 2 per IFRS 9 based on the internal rating system or rating agency adopted by the group are as follows:

Group
31 December 2024

In thousands of Nigerian Naira	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	**Total**
Financial assets:						
Cash and bank balances						
Cash	-	-	-	-	-	-
Balances with other banks						
- Operating balance with Central Bank of Nigeria	1,084,706	-	-		-	1,084,706
- Balances with banks in Nigeria	341,905	-	778,034	-	-	1,119,939
- Balances with banks outside Nigeria	-	41,795,238	17,082,960	-	497,377	59,375,575
- Mandatory reserve deposit with Central Bank of Nigeria	17,611,266	-	-	-	-	17,611,266
						-
Loans to banks						-
- Placements with banks	4,168,614	-	-	-	-	4,168,614
						-
Financial instruments held for trading						-
Equity	588,562					588,562
- Nigerian Treasury Bills	61,489,850	-	-	-	-	61,489,850
- Federal Government of Nigeria Bonds	4,281,943	-	-	-	-	4,281,943
Mutual funds	1.706.674	-	-	-	-	1.706.674
Trading asset	19,701,520	-	-	-	-	19,701,520
Derivative financial instruments						-
- Foreign exchange forward contract	347,140	-	-	-	-	347,140
						-
Loans and advances						-
- Loans and advances	27,835,754	20,810,244	65,563,824	24,164,295	1,450	138,375,568
	-					-
						-

Investment securities						-
Equity	-	-	15,666	-	-	15,666
- Nigerian Treasury Bills	84,720,736	-	-	-	-	84,720,736
- Federal Government of Nigeria bonds	21,005,342	-	-	-	-	21,005,342
- Corporate bonds	1,573,168	-	1,398,552	1,557,662	-	4,529,383
- Promissory Notes and Commercial Papers	676,598	-	8,327,795	-	-	9,004,393
- State Bonds	1,378,980	-	-	-	-	1,378,980
Eurio Bonds	6,820,978	-	-			6,820,978
Pledged assets						
- Nigerian Treasury Bills	158,392,848	-	-	-	-	158,392,848
- Federal Government of Nigeria bonds	13,100,809	-	-	-	-	13,100,809
Other assets						
- Receivables	-	-	-	-	11,956,893	11,956,893
Total	**426,827,394**	**62,605,482**	**93,166,832**	**25,721,957**	**12,455,720**	**620,777,385**
- Letters of Credit	367,582	-	20,838,207	-	-	**21,205,789**
- Performance bonds and guarantees	6,855,558	-	5,880,658	2,500,000	-	**15,236,217**
- Loan commitments	2,559,591	-	20,313,416	457,688	-	**23,330,694**
Total	**9,782,731**	**-**	**47,032,281**	**2,957,688**	**-**	**59,772,700**

Group

31 December 2023

In thousands of Nigerian Naira	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	**Total**
Financial assets:						
Cash and bank balances						
Cash	-	-	-	-	-	
Balances with other banks						-
- Operating balance with Central Bank of Nigeria	421,148	-	-	-	-	421,148
- Balances with banks in Nigeria	543,990		5,403,405	-	-	5,947,395
- Balances with banks outside Nigeria	11,359,011	11,427,010	69,923	-	-	22,855,944
- Mandatory reserve deposit with Central Bank of Nigeria	22,868,238	-	-	-	-	22,868,238
						-
Loans to banks						-
- Placements with banks	16,936,608	-	-	-	-	16,936,608
- Placements with other financial institutions	-	-	-	-	-	-
						-
Financial instruments held for trading						-
- Nigerian Treasury Bills	27,321,208	-	-	-	-	27,321,208
- Federal Government of Nigeria Bonds	445,287	-	-	-	-	445,287
- Corporate Bonds	-				-	-
Mutual funds	1,630,648	-	-	-	-	1,630,648
Corporate bonds FVPL	417,140	-	-	-	-	417,140
Equity	231,835	-	-	-	-	231,835
Derivative financial instruments						-
- Foreign exchange forward contract	48,775,795	-	-	-	-	48,775,795
						-
Loans and advances						-
- Loans and advances	54,615,172	35,841,232	31,902,311	1,418,327	-	123,777,042
- Margin facilities	-				-	-
						-
Investment securities						-
- Nigerian Treasury Bills	6,678,346	-	-	-	-	6,678,346
- Federal Government of Nigeria bonds	9,947,191	-	-	-	-	9,947,191
- Corporate bonds	229,871	2,262,834	1,969,617	-	-	4,462,321
- Promissory Notes and Commercial Papers	28,161,548	669,775	-	-	-	28,831,323
Euro Bonds FVOCI	1,892,074	-	1,892,074	-	-	3,784,148
Federal Government of Nigeria bonds	2,977,361	-	-	-	-	2,977,361
						-
Pledged assets						-
- Nigerian Treasury Bills	26,443,742	-	-	-	-	26,443,742
- Federal Government of Nigeria bonds	4,066,500	-	-	-	-	4,066,500
- Corporate bonds	-	-	-	-	-	-
- Promissory Notes and Commercial Papers	1,530,800	-	-	-	-	1,530,800
						-
Other assets						-
- Receivables	25,144,171	-	-	-	-	25,144,171
Total	**292,637,684**	**50,200,851**	**41,237,329**	**1,418,327**	**-**	**385,494,191**

- Letters of Credit	367,582	-	20,838,207	-	-	21,205,789
- Performance bonds and guarantees	6,855,558	-	5,880,658	2,500,000	-	15,236,217
- Loan commitments	2,559,591	-	20,313,416	457,688	-	23,330,694
Total	**9,782,731**	**-**	**47,032,281**	**2,957,688**	**-**	**59,772,700**

Balances with banks outside Nigeria are rated using the international Fitch ratings of these banks.

Company
31 December 2024

In thousands of Nigerian Naira	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	**Total**
Financial assets:						
Cash and bank balances						
Balances with other banks						
- Balances with banks in Nigeria	-	75,169	-	-	-	**75,169**
Loans and advances						
- Loans and advances	-	-	-	-	1,450	**1,450**
Financial instruments held for trading						
- Mutual Funds	-	-	331,969	-		**331,969**
Other assets						
- Receivables	**-**	713,405	-	-	5,345,086	**6,058,491**
Total	**523,314,692**	**788,574**	**331,969**	**-**	**5,346,536**	**6,467,079**

Company
31 December 2023

In thousands of Nigerian Naira	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	**Total**
Financial assets:						
Cash and bank balances						
Balances with other banks						
- Balances with banks in Nigeria	-	247,411	-	-	-	**247,411**
						-
Loans and advances						**-**
- Loans and advances	-	-	1,971	-	-	**1,971**
Financial instruments held for trading						**-**
- Mutual Funds	**-**	-	-	-	498,358	**498,358**
Other assets						**-**
- Receivables	**-**	1,556,834	-	-	87,550	**1,644,384**
Total	**-**	**1,804,245**	**1,971**	**-**	**585,908**	**2,392,124**

3.1.12 Financial Assets Individually Impaired

Individual assessment was conducted on all individually significant loans; and all non significant loans past due (91 days and above if any) in the portfolio. All individually significant loans are examined for any sign of impairment triggers. The triggers for impairments include:

1. significant financial difficulty of the issuer or obligor;
2. a breach of contract (such as a default or delinquency in interest or principal payments);
3. granting to the borrower a concession that FSDH would not otherwise consider, due to the borrower's financial difficulties;
4. becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
5. the disappearance of an active market for that financial asset because of financial difficulties;

IFRS 9 requires an entity to test a financial instrument for impairment at the end of each reporting period. If there is objective evidence that an impairment loss on individually significant loans has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the loan's interest rate computed at initial recognition.

At 31 December	**2024 Group Loans to customers at amortised cost N'000**	**2023 Group Loans to customers at amortised cost N'000**
Gross amount	2,930,324	2,708,465
Stage III impairment	850,842	1,290,591
Net amount	2,079,482	1,417,874
Fair value of collateral	**2,748,351**	**2,672,121**

3.1.12 Estimate of the value of collateral and other security enhancements held against loans and advances to customers is shown below:

Group In thousands of Naira	**Loans and advances to customers** **December 2024**	 **December 2023**
Property	429,240	453,097.51
Equities	1,046,085	4,954,721
Cash	14,587,986	19,653,729
Pledged goods/receivables	4,161,599	7,288,082
FGN Securities	13,597,689	26,762,196
All Asset Debenture	50,845,898	56,164,624
Corporate guarantee	5,284,676	1,264,151
Other	48,029,658	8,171,209
Total	**137,982,829**	**124,711,810**

3.1.13 - Disclosure on significant changes in Gross Amount
The following table explain the changes in the gross carrying amount between the beginning and the end of the annual period due to the factors mentioned in the table.

The following table explains the changes in the loss allowance between the beginning and the end of the annual period due to the factors mentioned there-in.

31 December 2024

In thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Purchased Credit - Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
Gross carrying amount As At 1 January 2024	121,665,617	-	2,636,952	(2,941,491)	121,361,078
Transfers	-	-	-	-	-
Transfer from Stage 1 to Stage 2	(293,372)	-	293,372	-	-
Transfer from Stage 1 to Stage 3	-				-
Transfer from Stage 2 to Stage 3	-				-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Financial Assets derecognised during the period other than write-offs	-	-			-
New Financial Assets originated or purchased	14,072,999			-	14,072,999
FX and other movements		-		-	-
Loss Allowance As At 31 December 2024	**135,445,244**	**-**	**2,930,324**	**(2,941,491)**	**135,434,077**

31 December 2023

In thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Credit - Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
Gross carrying amount As At 1 January 2023	78,111,293	-	1,927,142	(525,527)	79,512,909
Transfers	-	-	-		-
Transfer from Stage 1 to Stage 2	-	-	-		-
Transfer from Stage 1 to Stage 3	-				-
Transfer from Stage 2 to Stage 3	-	-	-		-
Transfer from Stage 3 to Stage 2	-				-
Transfer from Stage 2 to Stage 1	-	-	-		-
Financial Assets derecognised during the period other than write-offs	-	-	709,809		709,809
New Financial Assets originated or purchased	30,488,026	-	-		30,488,026
FX and other movements	13,066,297	-	-		13,066,297
Loss Allowance As At 31 December 2023	**121,665,617**	**-**	**2,636,952**	**(525,527)**	**123,777,042**

3.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises both currency risk and price risk. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Price risk is the earnings risk from changes in interest rates, foreign exchange rates, and equity and commodity prices. Price risk arises in non-trading portfolios, as well as in trading portfolios. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return on risk.

3.2.1 Management of market risk

The Group's market risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risk in the Group and ensure that:

- The individuals who take or manage risk clearly understand it
- The Group's risk exposure is within established limits
- Risk taking decisions are in line with business strategy and objectives set by the Board of Directors
- The expected payoffs compensate for the risks taken
- Sufficient capital, as a buffer, is available to take risk'

3.2.2 Market risk measurement

The Group currently applies Non-Value at Risk measures in the measurement and management of market risks. The techniques currently used to measure and control market risk include:

Position Limit
The Board of Directors with the input of Risk Management unit sets limits on the aggregate trading portfolio for overnight positions. This limit, which is a product of our model tracking factor sensitivity, is reviewed frequently depending on market volatility

Trading Limit
Risk Management unit has put in place trading limit for all securities traders. Limits have been set based on experience and hierarchy, as it would be risky for traders to have equal ability to commit the Group. Limits are reviewed annually.

Mark-to-Market
The mark-to-market process is done by the Risk management unit of the subsidiaries involved in holding securities' position. Daily market quotes are obtained transparently and the unrealized profit or losses are computed. The results are presented to their respective management on daily basis for appropriate tracking and monitoring.

Other market risk measures
Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, issuer limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the Risk Management unit before their use and periodically thereafter to confirm the continued applicability of the models. In addition, the Risk Management unit assesses the daily liquid closing price inputs (used to value instruments) and performs a review of less liquid prices from a reasonableness perspective at least monthly. Where differences are significant, mark-to-market adjustments are made.

Annual net interest income at risk

A dynamic forward-looking annual net interest income forecast is used to quantify the Group's anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenario, to determine the effect these changes may have on future earnings. The analysis is completed under both normal market conditions as well as stressed market conditions.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions and is carried out to augment other risk measures that are used by the Group, such as market risk factor sensitivities. These stress scenarios are typically used to highlight exposures that may not be explicitly incorporated by specific sensitivity calculations (such as basis, price and correlation) that can be the source of large losses when abnormally large market movements occur. Stress testing also attempts to indicate the size of the loss provoked by any of a number of unlikely but possible shock events given current positions held.

The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

3.2.3 Foreign Exchange Risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows, primarily with respect to the US dollar. The Group is exposed to foreign exchange risk primarily through its assets, managing customers' deposits and through acting as an intermediary in foreign exchange transactions.

The Group has a robust risk management system that identifies, measures and mitigates the foreign currency exchange rate risk on its financial position and cash flows. In addition, there are regulatory imposed limits such as the net open position limit (OPL) which is set at 10% of Shareholders' funds for the banking subsidiary that helps to limit these exposures, the Group has market risk limits such as:

- Daily mark-to-market mechanism that revalues all currency positions daily, ensuring that foreign currency positions are valued at current market price and not at cost.
- An Open Position Limit that is more stringent than the regulatory limit.
- A Group wide limit on the maximum volume of foreign currency denominated securities to invest in.
- Aggregate position limits for individual currency positions, which limits exchange rate risk in all currencies that the Group has exposures.

The Group mitigates the changes in fair value attributable to foreign-exchange rate movements in certain transactions. Typically, entering into a forward foreign-exchange contract is used as a preferred hedging mechanism.

In addition, the Group enters into currency swaps to hedge against foreign exchange risk. It also carries out daily monitoring of its foreign currency balance sheet to ensure that Open positions do not exceed regulatory prescribed limit.

3.2.3 Foreign Exchange Risk (con'd)

The table below shows a breakdown of financial assets and financial liabilities by currency

Group

31 December 2024	Notes	NGN N'000	USD N'000	GBP N'000	EUR N'000	CNY N'000	ZAR N'000	Total N'000
ASSETS								
Cash and bank balances	15	19,551,961	48,541,734	1,469,483	9,617,291	4,524	385	79,185,378
Loans and receivables to banks	15	3,138,267	1,013,899				-	4,152,166
Financial assets held for trading	17	68,067,029					-	68,067,029
Trading assets	18	14,671,661	5,029,859.00					19,701,520
Derivative financial instruments	19	-	347,140				-	347,140
Loans and receivables to customers	20	94,326,437	41,107,640				-	135,434,077
Investment securities	21	115,600,658	10,414,284		852,598		-	126,867,540
Pledged assets	22	171,493,657					-	171,493,657
Total assets		486,849,670	106,454,556	1,469,483	10,469,889	4,524	385	605,248,507
LIABILITIES								
Trading liabilities	30	1,589,260						1,589,260
Due to banks	19	40,816,998	100,935,547			-		141,752,545
Due to customers	31	219,184,912	105,303,927	633,187	1,667,689	-	-	326,789,717
Derivative financial instruments	32	-	10,176,796				-	10,176,796
Lease liabilities	23	211,312				-	-	211,312
Other liabilities	33	13,791,975	28,844,288	876,489	7,981,304		-	51,494,056
Debt securities issued	34	13,637,916	5,831,678	-	-	-	-	19,469,594
Other borrowed funds	35	12,723,916	-	-	-	-	-	12,723,916
Total liabilities		301,956,289	251,092,236	1,509,676	9,648,993	-	-	564,207,196
Net on Balance Sheet Financial Position		**184,893,381**	**-144,637,680**	**(40,193)**	**820,896**	**4,524**	**385**	**41,041,311**
Credit Commitments								
- Letters of Credit		-	20,917,721.03	-	288,068		-	21,205,789
- Performance bonds and guarantees		9,122,770.56	6,113,446.44	-	-		-	15,236,217
- Loan commitments		23,330,694.04	-	-	-	-	-	23,330,694
		32,453,465	**27,031,167**	**-**	**288,068**	**-**	**-**	**59,772,700**

Group **31-Dec-23**

31 December 2023	Notes	NGN N'000	USD N'000	GBP N'000	EUR N'000	CNY N'000	ZAR N'000	Total N'000
ASSETS								
Cash and bank balances	15	52,097,052	-	-	-	-	-	52,097,052
Loans and receivables to banks	16	7,356,798	9,579,810	-	-	-	-	16,936,608
Financial assets held for trading	17	30,046,118	-	-	-	-	-	30,046,118
Trading assets	18	13,102,035	6,598,478	-	-	-	-	19,700,513
Derivative financial instruments	14	6,598,478	42,177,317	-	-	-	-	48,775,795
Loans and receivables to customers	20	75,998,076	46,906,652	-	872,314	-	-	123,777,042
Investment securities	21	52,017,940	2,347,608	-	-	-	-	54,365,548
Pledged assets	24	32,041,042	-	-	-	-	-	32,041,042
Total assets		269,257,539	107,609,865	-	872,314	-	-	377,739,718
LIABILITIES								
Trading liabilities	30	19,969,025	-	-		-	-	19,969,025
Due to banks	31	30,908,655	-	-	443,475	-	-	31,352,130
Due to customers	32	96,396,613	74,044,550	370,764	2,467,889	-	-	173,279,817
Derivative financial instruments	19	1,497,920	-	-	-	-	-	1,497,920
Debt securities issued	34	36,765,673	-	-	-	-	-	36,765,673
Other borrowed funds	35	88,797,590			-	-	-	88,797,590
Total liabilities		254,366,451	74,044,550	370,764	2,911,364	-	-	351,662,155
Net on Balance Sheet Financial Position		**14,891,088**	**33,565,315**	**(370,764)**	**(2,039,051)**	**-**	**-**	**26,077,563**
Credit Commitments								
- Letters of Credit		-	21,388,841	-	43,978	-	-	21,432,819
- Performance bonds and guarantees		8,817,251	3,804,500	-	-	-	-	12,621,751
- Loan commitments		29,881,867	-	-	-		-	29,881,867
		38,699,118	**25,193,341**	-	**43,978**	-	-	**63,936,437**

Company — **31-Dec-24**

31 December 2024

	NGN N'000	USD N'000	GBP N'000	EUR N'000	CNY N'000	ZAR N'000	Total N'000
ASSETS							
Cash and bank balances	73,529	4	1,558	-	-	-	75,090
Financial instruments held for trading	1,812,862	-	-	-	-	-	1,812,862
Loans and advances to customers	1,330	-	-	-	-	-	1,330
Other assets	6,058,491	-	-	-	-	-	6,058,491
	7,946,212	4	1,558	-	-	-	7,947,774
Debt issued	1,904,478	-	-	-	-	-	1,904,478
Other liabilities	1,431,412	-	-	-	-	-	1,431,412
	3,335,890	-	-	-	-	-	3,335,890

Company — **31-Dec-23**

31 December 2023

	NGN N'000	USD N'000	GBP N'000	EUR N'000	CNY N'000	ZAR N'000	Total N'000
ASSETS							
Cash and bank balances	247,411	-	-	-	-	-	247,411
Financial instruments held for trading	498,358	-	-	-	-	-	498,358
Loans and advances to customers	1,852	-	-	-	-	-	1,852
Other assets	1,644,384	-	-	-	-	-	1,644,384
	2,392,004	-	-	-	-	-	2,392,004
LIABILITIES							
Lease liabilities	-						
Debts issued	2,534,817	-	-	-	-	-	2,534,817
Other liabilities	1,964,629	-	-	-	-	-	1,964,629
	4,499,446	-	-	-	-	-	4,499,446

3.2.4 Interest Rate Risk

The Group is exposed to cash flow interest rate risk, which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rate risk.

One of the Group's primary business functions is providing financial products that meet the needs of its customers. Loans and deposits are tailored to the customers' requirements with regard to tenor, and rate type. Net Interest Income (NII) is the difference between the yield earned on portfolio assets (including customer loans) and the rate paid on the liabilities (including customer deposits or wholesale borrowings). NII is affected by changes in the level of interest rates.

The exposure of other entities within the Group to interest rate risk is minimal as they are not deposit collecting agents. Their exposure is more limited to impact on their returns on investments.

Movements in interest rate on the Group's core activities affect its reported earnings and book capital by affecting the Net Interest Income (NII). The value of the Group's assets, liabilities, and interest-rate-related, off-balance-sheet items is affected by a change in rates because the present value of future cash flows, and in some cases the cash flows themselves, is changed.

The Group's primary strategy for managing interest rate risk is to match interest rate sensitivities of both sides of its Balance sheet. In this respect, the Group separately identifies and classifies its assets and liabilities based on their sensitivities i.e. floating vs. fixed rates. All floating rate components of the Balance sheet are managed against a defined benchmark rate. All fixed rate components are managed against a re-pricing profile benchmark to be determined by the ALM desk and approved by the ALCO.

The table below summarises the Group's interest rate gap position:

Group

31 December 2024	Notes	Carrying amount	Variable interest	Fixed Interest	Non interest-bearing
		N'000	N'000	N'000	N'000
Assets					
Cash and bank balances	15	79,185,378			79,185,378
Loans to banks and other financial institutions	16	4,152,166		4,152,166	
Financial assets held for trading	17	68,067,029		68,067,029	
Trading asset	18	19,701,520		19,701,520	
Derivative financial instruments	19	347,140		347,140	
Loans and receivables to customers	20	135,434,077		135,434,077	
Investment securities	21	126,870,316		126,870,316	
Pledged assets	22	171,493,657	-	171,493,657	
		605,251,283	0	526,065,905	79,185,378
Liabilities					
Trading liabilities	30	1,589,260		1,589,260	
Due to banks	31	141,752,545	-	141,752,545	
Due to customers	32	326,789,715	-	326,789,715	
Derivative financial instruments	19	10,176,796	-	10,176,796.00	
Lease liabilities	23	211,312	-	211,312.00	
Debt securities issued	34	19,469,594	-	19,469,594.00	
Other borrowed funds	35	12,723,916	12,723,916.00		
		512,713,138	12,723,916	499,989,222	0

Group

31 December 2023	Notes	Carrying amount	Variable interest	Fixed Interest	Non interest-bearing
		N'000	N'000	N'000	N'000
Assets					
Cash and bank balances	15	52,097,052	-	-	52,097,052
Loans to banks and other financial institutions	16	16,936,608	-	16,936,608	
Financial assets held for trading	17	30,046,118	-	30,046,118	
Trading asset	18	19,700,513	-	19,700,513	
Derivative financial instruments	19	48,775,795		48,775,795	
Loans and receivables to customers	20	123,777,042		123,777,042	
Investment securities	21	54,368,324	-	54,368,324	
Pledged assets	22	32,041,042	-	32,041,042	
		377,742,494		325,645,442	52,097,052
Liabilities					
Trading liabilities	30	19,969,025		19,969,025	
Due to banks	31	31,352,130	-	31,352,130	
Due to customers	32	173,279,817	-	140,553,955	32,725,862
Derivative financial instruments	19	1,497,920	-		1,497,920
Lease liabilities	23	56,358	-		56,358
Debt securities issued	34	36,765,673	-	36,765,673	
Other borrowed funds	35	88,797,590	28,883,803	59,913,787	
		351,718,513	28,883,803	288,554,570	34,280,140

Company

31 December 2024	Note	Carrying amount	Variable interest	Fixed Interest	Non interest-bearing
		N'000	N'000	N'000	N'000
Assets					
Cash and bank balances	15	75,090	-	-	75,090
Financial assets held for trading	17	1,812,863	-	1,812,863	-
Loans and advances	20	1,330	-	1,330	-
		1,889,284	-	1,814,193	75,090
Liabilities					
Lease liabilities	14	9,545	-		9,545
Debt securities	34	1,904,478	-	1,904,478	-
		1,914,023	-	1,904,477.77	9,545

Company

31 December 2023	Note	Carrying amount	Variable interest	Fixed Interest	Non interest-bearing
		N'000	N'000	N'000	N'000
Assets					
Cash and bank balances	15	247,411	-	-	247,411
Financial assets held for trading	17	498,358	-	498,358	-
Loans and advances	20	1,852	-	1,852	-
		747,620	-	500,210	247,411
Liabilities					
Lease liabilities	23	160,900	-		160,900
debt securities	34	2,534,817	-	2,534,817	
Other liabilities	33	1,964,629	-	-	1,964,629
		4,660,346	-	2,534,817	1,964,629

The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities. The Group's interest rate risk exposure on assets and liabilities are categorised by the re–pricing dates.

Group

At 31 December 2024	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Cash and bank balances	79,185,378	-	-	-	-	-		79,185,378
Loans and receivables to banks	4,152,166	-	-	-	-	-	-	4,152,166
Financial assets held for trading	5,748,894	53,520,068	17,376	4,501,312	-	4,279,379	-	68,067,029
Trading asset	-	14,671,661	5,029,859	-				19,701,520
Derivative financial instruments	-	347,140				-	-	347,140
Loans and receivables to customers	-	18,247,990	58,606,943	21,929,411	22,247,226	10,650,797	3,751,710	135,434,077
Investment securities	91,229,734	2,878,653	2,546,014	6,952,678	14,327,219	8,917,576	15,666	126,867,540
Pledged assets	-		141,496,965	16,895,884	6,494,550	6,606,258	-	171,493,657
Total financial assets (contractual maturity)	180,316,172	89,665,513	207,697,156	50,279,285	43,068,995	30,454,010	3,767,376	605,248,507
	Up to 1 months	**1 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 Years**	**Above 5 years**	**Non-Interest Bearing**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities								
Due to banks	1,981,059	55,023,797	84,747,689		-	-		141,752,545
Due to customers	90,745,934	96,172,371	101,168,402	26,466,611	12,236,396	-		326,789,715
Derivative financial instruments	-	3,155,095	6,793,425	228,276		-	-	10,176,796
Lease liabilities	-	-	-	-	211,312	-	-	211,312
Debt securities issued	-				19,469,594	-	-	19,469,594
Other borrowed funds	-		4,419,767.76	7,589,511	714,637	-	-	12,723,916
Total financial liabilities (contractual maturity)	92,726,993	154,351,263	197,129,284	34,284,399	32,631,939	-	-	511,123,878
Liabilities Commitments								
Letters of Credit	-	4,517,224	16,036,957	651,608	-	-	-	21,205,789
Performance bonds and Guarantees	2,000,000	211,000	6,308,104.31	1,040,000	2,515,112	3,162,000	-	15,236,217
Loan Commitments	23,330,694	-	-	-	-	-	-	23,330,694
Total	25,330,694	4,728,224	22,345,061	1,691,608	2,515,112	3,162,000	**-**	**59,772,700**
Interest Rate GAP	**87,589,180**	**(64,685,750)**	**10,567,872**	**15,994,886**	**10,437,056**	**30,454,010**	**3,767,376**	**94,124,629**

Group

At 31 December 2023	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Cash and bank balances	52,097,052.00	-	-	-	-	-		52,097,052
Loans and receivables to banks	16,936,608	-	-	-	-	-	-	16,936,608
Financial assets held for trading	2,302,527	27,743,590	-	-	-	-	-	30,046,117
Trading asset	19,700,513			-				19,700,513
Derivative financial instruments	858,856	47,916,939			-	-	-	48,775,795
Loans and receivables to customers	59,000,149	38,769,746	9,191,422	16,815,726	-	-		123,777,042
Investment securities	27,390,416	7,975,600	7,614,745	11,369,120	-	-	15,666	54,365,548
Pledged assets	5,486,581	25,436,501	396	1,117,564	-	-	-	32,041,042
Total financial assets (contractual maturity)	183,772,703	147,842,376	16,806,563	29,302,410	-	-	15,666	377,739,718
	Up to 1 months	**1 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 5 Years**	**Above 5 years**	**Non-Interest Bearing**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities								
Due to banks	11,851,532					-		11,851,532
Due to customers	134,136,771	16,856,775	12,420,837	9,865,433	-	-		173,279,817
Derivative financial instruments	1,497,920			-	-	-	-	1,497,920
Lease liabilities	56,358.00			-	-	-	-	56,358
Debt securities issued	26,934,764.76	1,651,801	8,179,107	-	-	-	-	36,765,673
Other borrowed funds	88,797,590				-	-	-	88,797,590
Total financial liabilities (contractual maturity)	263,274,936	18,508,576	20,599,944	9,865,433	-	-	-	312,248,890
Liabilities Commitments								
Letters of Credit	320,381	10,822,934	9,578,510	710,994.74	-	-	-	21,432,819
Performance bonds and Guarantees	1,798,065.40	150,783	320,179	303,355.70	3,900,941.61	6,148,426.04	-	12,621,751
Loan Commitments	29,881,867	-	-	-	-	-	-	29,881,867
Total	**32,000,313**	**10,973,717**	**9,898,689**	**1,014,350**	**3,900,942**	**6,148,426**	**-**	63,936,437
Interest Rate GAP	**(79,502,232)**	**129,333,799**	**(3,793,381)**	**19,436,977**	**-**	**-**	**15,666**	**65,490,828**

Company

At 31 December 2024	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Cash and bank balances	-	-	-	-	-	-	75,090	75,090
Loans and advances to customers	-		-	-	1,330	-	-	1,330
Financial assets held for trading	-	-	-	-	1,812,862	-		1,812,862
Total financial assets (contractual maturity)	-	-	-	-	1,814,192	-	75,090	2,351,910

	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities								
Debt securities					1,904,478			1,904,478
Total financial liabilities (contractual maturity)	-	-	-	-	1,904,478	-	0	1,904,478
Interest Rate GAP	**-**	**-**	**-**	**-**	**(90,286)**	**-**	**75,090**	**447,432**

At 31 December 2023 (N'000)	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Cash and bank balances	-	-	-	-	-	-	247,411	247,411
Loans and advances to customers	-	402,564	-	-	-	-	-	402,564
Financial Assets held for trading	-	-	-	498,357.51		-		498,358
Other assets	-	-	-	-	-	-		-
Total financial assets (contractual maturity)	-	402,564	-	498,357.51	-	-	247,411	1,148,332

	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5	Above 5 years	Non-Interest Bearing	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities								
Debt securities	-	-	-	-	2,534,817	-		2,534,817
Total financial liabilities (contractual maturity)					2,534,817		-	2,534,817
Interest Rate GAP		**402,564**		**498,358**	**(2,534,817)**		**247,411**	**(1,386,485)**

3.2.5 Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Group assess the potential impact that fluctuations of identified market risk factors would have on the Group income and the value of its holdings of financial instruments. The Group employs additional measurements, including stress testing on the impact of non-linear interest rate movements on the value of the balance sheet; the analysis of portfolio duration, volatility and the potential impact of the change in the spread between different market indices.

3.2.6 Liquidity Risk

Liquidity risk is one of the key risks we contend with at the Group. This is the risk that securities or assets held by the Group cannot be traded quickly enough to meet obligations as they become due. It occurs when the cushion provided by liquid assets is not sufficient to meet outstanding obligations.

Liquidity risk does not occur in isolation; it is often triggered by consequences of other financial risks like credit risk and market risks such as interest rate risk, foreign exchange risk and security price risk.

3.2.6.1 Managing Liquidity Risk

The Group's board of directors sets the Group's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to the Assets & Liability Committee (ALCO). ALCO approves the Group's liquidity policies and procedures. The Asset and Liability Management Desk manages the Group's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Group. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy are as follows.

•Maintaining a diversified funding base consisting of customer deposits and wholesale market deposits and maintaining contingency facilities.

•Carrying a portfolio of highly liquid assets, diversified by currency and maturity.

•Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Group's financial assets and financial liabilities, and the extent to which the Group's assets are encumbered and so not available as potential collateral for obtaining funding.

•Carrying out stress testing of the Group's liquidity position.

Liquidity limits establish boundaries for market access in business-as-usual conditions and are monitored against the liquidity position on a daily basis. The survival horizon of the Bank has been set to 14 days. To ensure this is the case, the Group intends to hold enough liquid assets to cover for any negative GAP over the next 14 days.

Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both Group specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced flexibility of currencies, natural disasters or other catastrophes).The Group has in place contingency funding lines with Nigerian financial institutions.

3.2.6.2 Funding approach

Our sources of liquidity are regularly reviewed by ALCO and ALM Desk and other reponsible committees of the respective companies within the Group in order to avoid undue reliance on large individual investors and ensure that a satisfactory overall funding mix is maintained at all times. The Group funding strategy is geared towards ensuring effective diversification in sources and tenor of funding.

The tables below analyse the group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities for:

a)all non-derivative financial assets and liabilities, and

b)net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts in the table below are the contractual undiscounted cashflows

Group

At 31 December 2024	Notes	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets									
Cash and bank balances	15	79,185,378	-	-	-	-	-	-	79,185,378
Loans and receivables to banks	16	1,350,149	2,802,017	-	-	-	-	-	4,152,166
Financial assets held for trading	17	3,778,694	1,970,200	53,520,068	17,376	4,501,312		4,279,379	68,067,029
Trading asset	18	-	14,671,661	-	5,029,859				19,701,520
Derivative financial instruments	19	-	-	347,140				-	347,140
Loans and advances to customers	20	5,263,869.48	16,749,997	58,606,943	21,929,411	18,481,347	10,650,797	3,751,711	135,434,077
Investment securities	21	856,629	9,416,550	29,749,042	6,596,474	47,727,896	6,322,713	26,198,236	126,867,540
Pledged assets	22	0.00	141,496,964	16,895,884	6,494,550	6,606,259			171,493,657
Right of use assets	24	306,566.00	-		-				306,566
Other assets	14	11,567,962	-	-	-	-			11,567,962
Total financial assets		102,309,248	187,107,389	159,119,077	40,067,670	77,316,814	16,973,510	34,229,326	617,123,035
		No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities									
Trading liabilities	30	1,589,260							1,589,260
Derivative financial instruments	19	-	3,155,095	6,793,425	228,276				10,176,796
Due to banks and other financial insti	31	1,981,059	55,023,797	84,747,689					141,752,545
Due to customers	32	90,745,934	96,172,371	101,168,402	26,466,611	12,236,396			326,789,715
Lease Liabilities	23	211,312							211,312
Other liabilities	33	5,785,947			2,088,225	43,619,884			51,494,056
Borrowed funds	35	-			4,419,768	7,589,511	714,637		12,723,916.00
Debt securities issued	34	1,839,164					17,630,430		
Total financial liabilities (contractual maturity)		102,152,675.16	154,351,262.97	192,709,516.55	33,202,880.30	63,445,791.94	18,345,067.08	-	544,737,600
Liabilities Commitments									
Letters of Credit		-	-	4,517,224	16,036,957	651,608	-	-	21,205,789
Performance bonds and Guarantees		-	2,000,000	211,000	6,308,104	1,040,000	2,515,112	3,162,000	15,236,217
Loan Commitments		-	23,330,694	-	-	-	-	-	23,330,694
Total		-	25,330,694	4,728,224	22,345,061	1,691,608	2,515,112	3,162,000	59,772,700
GAP		**156,573**	**32,756,126**	**(33,590,439)**	**6,864,790**	**13,871,022**	**(1,371,557)**	**34,229,326**	**72,385,435**

Group

At 31 December 2023	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Cash and bank balances	52,097,052	-	-	-	-	-	-	52,097,052
Loans and receivables to banks	5,353,730	11,582,878	-	-	-	-	-	16,936,608
Financial assets held for trading	2,302,527	-	27,743,590	-		-	-	30,046,118
Trading asset	-	15,080,115	4,620,398	-	-	-	-	19,700,513
Derivative financial instruments	48,775,795	-	-		-		-	48,775,795
Loans and advances to customers	-	21,244,118	38,769,746	9,191,422	16,815,726	29,468,752	8,287,279	123,777,042
Investment securities	-	9,766,541	7,975,600	7,614,745	11,369,120	6,182,556	11,456,985	54,365,548
Pledged assets	-	25,436,501	396	1,117,564	2,480,956	3,005,626	-	32,041,042
Right of use assets	225,006	-	-	-	-	-	-	225,006
Other assets	25,144,171	-	-	-	-	-	-	25,144,171
Total financial assets (contractual maturity)	**133,898,282**	**83,110,153**	**79,109,731**	**17,923,732**	**30,665,801**	**38,656,933**	**19,744,264**	**403,108,896**

	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities								
Due to banks	31,352,130	-	-	-	-	-	-	31,352,130
Due to customers	173,279,817	21,543,583	16,856,775	12,420,837	9,865,433	7,457,660	-	241,424,106
Derivative financial instruments	56,358	-	-	-	-	-	-	56,358
Lease liabilities	56,358	-	-	-	-	-		56,358
Other liabilities	13,946,738	12,319,394	32,939,071	12,668,247	3,568,979	989,429	-	76,431,858
Debt securities issued	36,765,673	12,136,839	1,651,801	8,179,107	-	12,376,287	-	71,109,707
Other borrowed funds	88,797,590	-	-	-	-	-	-	88,797,590
Total financial liabilities (contractual maturity)	344,254,664	45,999,815	51,447,648	33,268,191	13,434,412	20,823,376	-	509,228,107
Liabilities Commitments								
Letters of Credit	-	320,381	10,822,934	9,578,510	710,995	-	-	21,432,819
Performance bonds and Guarantees	-	1,798,065	150,783	320,179	303,356	3,900,942	6,148,426	12,621,751
Loan Commitments	-	29,881,867	-	-	-	-	-	29,881,867
Total	-	32,000,313	10,973,717	9,898,689	1,014,350	3,900,942	6,148,426	63,936,437
Interest Rate GAP	**(210,356,382)**	**37,110,338**	**27,662,083**	**(15,344,459)**	**17,231,389**	**17,833,557**	**19,744,264**	**(106,119,211)**

Company

At 31 December 2024	Note	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets									
Cash and bank balances	15	75,090	-	-	-	-	-	-	75,090
Loans and advances to customers	20	-	-	-	-		1,330		
Financial asset hed for trading	17	-	-	-	-	1,812,863	-	-	1,812,863
Other assets	14	6,080,060				-	-		6,080,060
Total financial assets (contractual maturity)		6,155,151	-	-	-	1,812,863	1,330	-	7,968,014

	Note	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities									
Lease liabilities	23	-	-	-	-	9,545	-	-	9,545
Other liabilities	33	2,194,053	-	-	-	-	-	-	2,194,053
Debt securities	34	-	-	-	-	-	1,904,478		1,904,478
Total financial liabilities (contractual maturity)		**2,194,053**	**-**	**-**	**-**	**9,545**	**1,904,478**	**-**	**4,108,076**
GAP		**3,961,098**	**-**	**-**	**-**	**1,803,318**	**(1,903,148)**	**-**	**3,859,938**

Company

At 31 December 2023	Note	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets									
Cash and bank balances	15	247,411	-	-	-	-	-	-	247,411
Loans and receivables to customers	20	-					1,852	-	1,852
Other assets	14	1,644,384	-	-		-	-		1,644,384
Total financial assets (contractual maturity)		1,891,795	-	-	-	-	1,852	-	1,893,647

	Note	No Contractual Maturity	Up to 1 months	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 Years	Above 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Liabilities									
Lease liabilities	23	-	-	-	-	-	-	-	-
Other liabilities	33	451,346	-	-	-	-	-	-	451,346
Debt securities	34						2,534,817		2,534,817
Total financial liabilities		**451,346**	**-**	**-**	**-**	**-**	**2,534,817**	**-**	**2,986,163**
GAP		**1,440,449**	**-**	**-**	**-**	**-**	**(2,532,966)**	**-**	**(1,092,517)**

	Note	Level 1	Level 2	Level 3	Total
Unquoted Equity	21	-	-	15,666	15,666
Quoted Equity	21	-			0
Investment securities classified as amortised cost					
-Federal Government of Nigeria Bonds	21	10,444,038	-	-	10,444,038
-Commercial papers	21	8,327,795.00	-	-	8,327,795.00
-Euro Bonds	21	-	6,512,363	-	6,512,363
		18,771,833	6,512,363	-	25,299,862
Pledged Securities					
Treasury Bills FVTPL	22	-	141,496,964		141,496,964
Treasury Bills OCI	22	16,895,884			16,895,884
Treasury Bills Amortised Cost	22	8,829,932			8,829,932
FGN Bonds	22	-			0
		25,725,816	141,496,964	0	158,392,848

Group
At 31 December 2023

	Note	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000
Financial assets					
Financial assets held for trading					
- Treasury bills	17	27,321,208	-	-	27,321,208
- Federal Government of Nigeria Bonds	17	445,287	-	-	445,287
- Equities	17	231,835	-	-	231,835
- Mutual Funds	17	-	1,630,648.00	-	1,630,648
- Corporate Bonds	17	417,140	-	-	417,140
- Trading asset	18	16,985,951.58	2,714,561	-	19,700,513
		45,401,421	4,345,209	-	49,746,631
Derivative financial instruments					
- FX forward contract	18	-	48,775,795	-	48,775,795
		-	48,775,795	-	48,775,795
Investment securities classified as FVOCI					
-Treasury bills	21	6,678,346	-	-	6,678,346
-Federal Government of Nigeria Bonds	21	2,977,361	-	-	2,977,361
-State Government Bonds	21	-	1,840,918.00		1,840,918
-Corporate bonds	21	229,870.69	4,232,450	-	4,462,321
-Promissory notes and commercial papers	21	18,998,597.09	9,832,726	-	28,831,323
-Euro FVOCI	21	-	1,892,074.00		1,892,074
		28,884,174	17,798,168	-	46,682,343
Pledged Securities					
FVTFL					
-Treasury bills	22	25,331,745	-	-	25,331,745
FVOCI					
-Treasury bills	22	1,111,997	-	-	1,111,997
-Federal Government of Nigeria Bonds	22	4,066,500	-	-	4,066,500
Amortised Cost		-	-	-	-
-FGN Bonds	22	1,530,799.71		-	1,530,800
		32,041,042	-	-	32,041,042

The following table presents changes in level 3 instruments - Group

Company
At 31 December 2024

	Notes	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000
Financial assets					
Financial assets held for trading					
-Treasury Bills	17	1,480,894			1,480,894
- Mutual Funds	17	-	331,969	-	331,969
		1,480,894	331,969	-	1,812,863

Company
At 31 December 2023

		Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000	N'000
Financial assets					
Financial assets held for trading					
- Mutual Funds	17	-	498,358	-	498,358
		-	498,358	-	498,358

3.4 Financial assets and liabilities not measured at fair value

Investment securities have been fair valued using market prices and is within level 1 of the fair value hierarchy.

The carrying value of the following financial assets and liabilities for the group approximate their fair values: - cash and bank balances, loans and advances to banks, loans and advances to customers, other assets, due to banks, due to customers, lease liabilities and other liabilities.

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

Group	**At 31 December 2024**		**31 December 2023**	
	Carrying value N'000	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Financial assets				
Cash and bank balances	79,185,377	79,185,377	52,097,052	52,097,052
Loans and advances to banks	4,152,166	4,152,166	16,936,608	16,936,608
Loans and advances to customers	135,434,077	135,434,077	123,777,042	123,777,042
Other assets	9,560,017	9,560,017	25,144,171	25,144,171
	228,331,637	228,331,637	217,954,873	217,954,873
Financial liabilities				
Due to banks	141,752,545	141,752,545	31,352,130	26,147,904
Due to customers	326,789,715	326,789,715	173,279,817	76,867,978
Other liabilities	49,862,833	49,862,833	13,326,538	17,986,852
Debt securities issued	19,469,594	19,469,594	36,765,673	29,148,871
Other borrowed funds	12,723,916	12,723,916	88,797,590.00	17,298,216.00
	550,598,603	550,598,603	343,521,748	167,449,821

Company	**Carrying value N'000**	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Financial assets				
Cash and bank balances	75,090	75,090	247,411	247,411
Loans and advances to customers	1,330	1,330	1,852	1,852
Other assets	6,058,491	6,058,491	1,644,384	1,644,384
	6,134,912	6,134,912	1,893,647	1,893,647
Financial liabilities				
Other liabilities	1,431,412	1,431,412	1,964,629	1,964,629
Debt securities	1,904,478	1,904,478	2,534,817	2,534,817
	3,335,890	3,335,890	4,499,446	4,499,446

Hierarchy for financial assets and financial liabilities not measured at fair value

Group

At 31 December 2024 (N'000)	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial Assets				
Cash and bank balances	-	-	79,185,377	79,185,377
Loans and advances to banks	-	-	4,152,166	4,152,166
Loans and advances to customers	-	-	135,434,077	135,434,077
Other assets	-	-	9,560,017	9,560,017
	-	-	228,331,637	228,331,637
Financial liabilities				
Due to banks	-	-	141,752,545	141,752,545
Due to customers	-	-	326,789,715	468,542,260
Other liabilities	-	-	49,862,833	49,862,833
Debt securities issued	10,358,982		9,110,612	19,469,594
Other borrowed funds	-	-	12,723,916	21,834,528
	10,358,982	-	540,239,621	550,598,603

At 31 December 2023 (N'000)	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial Assets				
Cash and bank balances	-	-	52,097,052	52,097,052
Loans and advances to banks	-	-	16,936,608	16,936,608
Loans and advances to customers	-	-	123,777,042	123,777,042
Other assets	-	-	25,144,171	25,144,171
	-	-	217,954,873	217,954,873
Financial liabilities				
Due to banks	-	-	31,352,130	31,352,130
Due to customers	-	-	173,279,817	173,279,817
Other liabilities	-	-	13,326,538	13,326,538
Debt securities issued	21,380,853	15,384,820	-	36,765,673
Other borrowed funds			88,797,590	88,797,590
	21,380,853.00	15,384,820	306,756,075	343,521,748

Company

At 31 December 2024 (N'000)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	-	-	75,090	75,090
Loans and advances to customers	-	-	1,330	1,330
Other assets	-	-	6,058,491	6,058,491
	-	-	6,134,912	6,134,912
Financial liabilities				
Other liabilities	-	-	1,431,412	1,431,412
Debt securities issued			1,904,478	1,904,478
	-	-	3,335,890	3,335,890

At 31 December 2023 (N'000)	Level 1	Level 2	Level 3	Total
Financial Assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	-	-	247,411	247,411
Loans and advances to customers	-	-	1,852	1,852
Other assets	-	-	1,644,384	1,644,384
	-	-	1,893,647	1,893,647
Financial liabilities				
Lease liabilities				
Other liabilities			1,964,629	1,964,629
Debt securities issued	-	-	2,534,817	2,534,817
	-	-	4,499,446	4,499,446

3.5 Capital Management

The Group's objectives in managing Capital are:

•To comply with the regulatory requirements of the Central Bank of Nigeria and Securities and Exchange Commission
•To ensure that the Group continues as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders by ensuring that capital deployed meets our RAAC (Risk Asset Acceptance Criteria)

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission where applicable, for supervisory purposes.

In line with the CBN circular BSD/DIR/GR/GEN/LAB/06/053 regarding Regulatory Capital Measurement for the Nigerian Banking System for the implementation of Basel II/III in Nigeria, Capital adequacy is measured daily and reported monthly to the Central Bank of Nigeria in line with Basel II set principles, which measures Credit, Market and Operational Risks.

Over this review period, the Group complied with all the externally imposed capital requirements to which it was and is subject.

3.6 Critical accounting estimates and judgements

The Group's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the consolidated financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

(a) Impairment losses on financial assets
The Group has set policies to guide staging criteria in determining significant increase in credit risk. The Group has also developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes. Appropriate governance and oversight has been established around the process.

The methodology and assumptions used for estimating probability of default, loss given default, discount factor, exposure at default, forward looking macro-economic factors and timing of future cash flows are reviewed regularly as the Group builds historical data in computation of its expected credit loss.

(b) Fair value of financial instruments
The determination of fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair valuation techniques and assumptions

1.Bonds
The fair values for illiquid bonds are gotten from an independent source. The source's bond prices are model prices derived from a modelled yield. The modelled yield is calculated by adding a risk premium to the valuation yield (corresponding Tenor To Maturity (TTM) yield interpolated off the FGN bond theoretical spot rate curve). This is used to calculate the bond bid price.

Risk premiums are derived by 2 methods described below;

(i). Apply risk spread on latest acceptable trade for the respective bonds i.e. determine the spread between the bond yield on the latest acceptable trade and the FGN bond spot rate of comparable TTM.
(ii). Apply risk spread at issuance i.e. determine the spread between the bond yield at issuance and the FGN bond spot rate of comparable TTM. However, where the risk spread at issuance is less than 1% (100 basis points), a base risk premium of 100 basis points is applied.
The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) from the Nigerian Stock Exchange.

However, fair value of unquoted equity investments have been derived from the last OTC (over the counter) transaction.

2.Derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities. Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.
Known calculation techniques, such as estimated discounted cash flows, are used to determine fair value of interest rate and currency financial instruments. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the closing date.

(c) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in note 24.

(d) Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).
For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate). '
- If any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Company.

4 Segment Information

The Group segmental reporting is in compliance with IFRS 8 Operating segments. Operating Segments are reported in accordance with the internal reports provided to the Group's Board of Directors which is responsible for the Group's resources allocation and performance review of the Operating segments. All transactions between operating segments are conducted on fair value principle.

The group has identified the following reportable operating segments:

Merchant Banking

This segment provides wholesale and investment banking services ranging from corporate finance, fund raising, investment and other financial advisory activities to the middle and top end of the banking value chain across diverse sectors.

Asset Management

This segment engage in portfolios management and investment advisory services

Pension Funds management

This segment engage in the management of pension funds and other retirement benefit related activities.

Stockbroking

This segment engage in stock trading with proprietary portfolio and customers' portfolio as well as issuing house activities.

Segment result of operation

Total revenue in the segment represents: interest income, fees and commissions, net gains or loss from financial assets, dividend income, foreign exchange translation, and other operating income.

Segment Assets and Liabilities

Segment assets and liabilities are measured in the same way as presented in the financial statements.

31 December 2024	Holding Company	Merchant Banking	Asset Management	Pensions Fund Management	Stockbroking & Advisory	Group Adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total segment revenue	8,523,857	28,305,778	3,962,361	10,731,795	1,002,630	(9,061,538)	**43,464,882**
Inter segment revenue			-				-
Segment result – revenue from external customers	8,523,857	28,305,778	3,962,361	10,731,795	1,002,630	(9,061,538)	43,464,882
Segment result - profit after tax	5,517,023	13,145,184	1,184,399	3,342,521	147,243		**23,336,370**

	Holding Company	Merchant Banking	Asset Management	Pensions Fund Management	Stockbroking & Advisory	Group Adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Assets	38,937,616	611,899,543	4,044,124	13,387,225	1,665,244	(47,813,737)	622,120,016
Total Liabilities	4,110,656	576,151,996	1,300,241	4,042,477	577,863	(17,948,131)	568,235,102
Net Asset	**34,826,960**	**35,747,547**	**2,743,883**	**9,344,748**	**1,087,381**	**(29,865,606)**	**53,884,914**

31 December 2023	Holding Company	Merchant Banking	Asset Management	Pensions Fund Management	Stockbroking & Advisory	Group Adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total segment revenue	1,743,524	34,061,112	2,555,373	7,849,557	752,337	(1,651,738)	45,310,165
Inter segment revenue			-				-
Segment result – revenue from external customers	91,786	34,061,112	2,555,373	7,849,557	752,337		45,310,165
Segment result - profit after tax	(491,797)	4,683,949	1,133,722	2,433,692	76,610		7,836,176

	Holding Company	Merchant Banking	Asset Management	Pensions Fund Management	Stockbroking & Advisory	Group Adjustment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Assets	33,820,245	397,686,861	3,245,582	11,929,911	1,473,447	(39,310,056)	408,845,990
Total Liabilities	4,510,309	366,733,485	1,697,614	2,542,906	464,361	(8,767,344)	367,181,331
Net Asset	**29,309,936**	**30,953,376**	**1,547,968**	**9,387,005**	**1,009,086**	**(30,542,712)**	**41,664,659**

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
5.	**Interest income**				
5(a)	Financial assets fair value through profit or loss				
	- Debt securities	2,493,364	2,368,372	125,975	-
	- Trading asset	2,960,058	97,735	-	
		5,453,422	2,466,107	125,975	-

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
5(b)	Financial assets fair value through other comprehensive income				
	- Debt securities	13,417,702	4,588,731	-	-
		13,417,702	4,588,731	-	-

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
5(c)	Financial assets at amortised costs				
	- Debt securities	2,433,591	464,444	8,444	-
	- Loans to banks and other financial institutions	12,717,096	1,891,867	29,849	46,138
	- Loans and advances to customers	20,714,901	18,576,197	99	132
	- Correspondent credit lines	677,499	136,464	-	-
		36,543,087	21,068,972	38,392	46,270

Interest income on stage III impaired loans was N250m for the year ended 31 December 2024 (December 2023: 88.52million)

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
6.	**Interest and similar expense**				
	Customer deposits	12,581,542	5,008,730	-	-
	Interbank call borrowings	3,431,743	1,861,749	-	-
	Interest expense on debt securities (i)	2,314,838	4,891,068	269,987	347,639
	Interest on borrowings	3,027,656	4,034,044	-	-
	Correspondent credit lines	2,472,289	1,649,252	-	-
	Clients' investment fund	16,432,421	2,532,238	-	-
	Interest expense on leases	19,147	16,998	-	512
		40,279,636	19,994,079	269,987	348,151

(i) The interest expense on debt securities includes interest on FSDH Holding Company's N3 Billion private bond issued in August 2022.

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
7	**Fee and commission income**				
	Credit related fees	1,132,699	1,017,655	-	-
	Fiduciary fees	8,604,426	6,905,210	-	-
	Comission on trade related transactions	1,395,250	407,282	-	-
	Financial advisory & issuing house activities' fees	690,168	415,451	-	-
	Other commissions, fees and charges	1,338,224	1,506,308	-	-
		13,160,767	10,251,906	-	-
	Fees and commission expense	(311,575)	(316,881)	-	-
		12,849,192	9,935,025	-	-

Other commissions, fees and charges includes brokerage commission, current account maintenance charge and funds transfer charges

The fees and commission income can be further analysed as below in line with IFRS 15

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Point in time	11,325,456	2,162,787	-	-
Over time fees	1,835,311	8,089,119	-	-
	13,160,767	10,251,906	-	-

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
8	**Impairment charge for credit losses**				
	Impairment charge credit loss on loans and advances (Note 20)	1,110,602	457,803	-	-
	Impairment charge for credit loss on Cash and bank balance (Note 15)	1,199		79	
	Impairment charge for credit loss on bank placements (Note 16)	3,683	3,918		-
	Impairment charge for credit loss on investment securities measured at FVOCI (Note 21)	388,561	(26,653)	-	-
	Impairment charge for credit loss on investment securities measured at amortised cost (Note 21)	207,793	25,160	-	-
	Impairments charge for credit loss on off balance sheets (Note 33)	45,823	(10,052)	-	-
	Impairment charge for credit loss on other financial assets		530,975		852,000
		1,757,661	981,151	79	852,000

9 Net gains/(losses) on financial instruments held for trading

Equity securities	130,341	360,046	-	11,834
Bonds	2,404,780	964,446	-	-
Treasury bills	1,494,693	287,276	(7,579)	-
Foreign exchange	6,535,430	763,658	-	-
Derivatives	4,300,000	1,583,155	-	-
Mutual funds	22,853	27,268	22,853	27,268
EuroBonds	(849,067)	-		-
	14,039,030	3,985,849	15,274	39,102

10 Net gains on debt instruments classified as fair value through other comprehensive income	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Bonds	(1,442,136)	142,524	-	-
Treasury bills	273,457	126,610	-	-
Promissory notes	125,808	906,202	-	-
	(1,042,871)	1,175,336	-	-

11 Dividend income	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Dividend income were received/receivable from the entities below:				
Subsidiaries:				
FSDH Merchant Bank Limited	-	-	7,475,377	1,712,300
Pensions Alliance Limited	-	-	1,694,220	-
FSDH Capital Limited	-	-	68,950	121,727
	-	-	9,238,547	1,834,027
WHT on dividends	-	-	(901,687)	(182,289)
Other dividend income	158,581	52,841		
Proprietary and other equity investments			-	-
	158,581	52,841	8,336,860	1,651,738

12 Other income	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Technical service fees	-		-	
Profit on disposal of property & equipment	25,123	16,658	21	803
Foreign currency translation	1,309,851	575,402	6,889	(871)
Intermediation income	1,563,240	525,874	-	-
Other fees, charges and sundry income	142,951	156,099	445	6,482
	3,041,165	1,274,033	7,355	6,414

Other fees, charges and sundry income include mainly administrative charges and commissions on non-banking transactions, other capital market services such as dematerialisation, indemnity fees and charges for embassy letters etc.

13 Operating expenses	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Staff related expenses (Note (i) below)	12,423,804	7,980,916	1,301,283	333,637
Depreciation (Note 28)	891,175	735,068	107,632	36,943
Amortisation (Note 27)	195,112	120,569	-	-
Right-of-use asset amortisation (Note 23(i))	176,428	142,891	4,360	4,336
Auditors' remuneration	117,273	97,355	6,700	6,285
Directors' fees	1,207,876	1,049,204	446,402	380,148
Deposit Insurance	731,000	497,227	-	-
Minimum Pensions Guarantee	252,594	201,903	-	-
Occupancy costs	488,162	321,631	15,774	4,126
Insurance	177,733	140,400	15,375	7,335
Corporate advert and other business development	560,478	594,815	290	1,320
Donations	54,108	(216,510)	-	-
Consultancy and other professional fees (Note (ii) below)	712,202	548,321	136,067	57,145
Information technology and related expenses	2,545,338	1,276,267	406	484
Legal retainer fees and consultancy	167,328	162,704	51,473	86,509
Licsense fees	126,812	133,688	3,198	607
Subscriptions - journals & periodicals, professional ass.	252,380	147,153	3,018	178
Transport and travelling	336,937	149,051	102,997	7,300
Office supplies and consumables	55,250	41,601	8,886	5,168
Repairs and motor running expenses	215,180	113,552	835	1,457
Other repairs and renewals	51,423	37,461	4,312	1,423
Impairment charge on other assets (Note 24)	554,137		261,617	-
Other administrative and operating expenses	1,481,306	785,625	263,573	100,768
	23,774,036	15,060,892	2,734,198	1,035,169

(i) Staff related costs, excluding executive directors, during the year amounted to:

Wages, salaries and staff costs	11,865,365	7,532,499	1,269,329	324,248
Pension costs - Defined contribution plan	418,348	300,125	30,904	7,226
Post employment costs - Defined contribution plan	140,091	148,292	1,051	2,163
	12,423,804	7,980,916	1,301,284	333,637

The average number of persons employed by the group during the year was as follows -

Executive	6	6	1	1
Management staff	62	62	3	2
Non management staff	570	515	9	8
	638	583	13	11

The number of employees of the group, who received emoluments (excluding pension contributions and other benefits) in the following ranges were -

Below N3,000,000	138	110	2	2
N3,000,001 - N5,000,000	94	115	1	2
N5,000,001 - N7,000,000	166	140	3	1
Above N7,000,000	240	218	7	6
	638	583	13	11

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Directors' remuneration paid in respect of the group:				
Fees and sitting allowances	1,207,876	1,049,204	446,402	380,148
Executive compensation	645,249	818,843	233,438	16,224
	1,853,125	1,868,047	679,840	396,372
Chairman	70,397	64,945	54,912	54,912
Highest paid director	335,640	293,927	233,438	54,912

(ii) Included in the consultancy & other professional fees expense of the group is the sum of N36.8m (Company: N3.35m) paid to Messrs KPMG Professional Services for non-audit services provided during the year (2023: Group - N8.06m, Company- Nil)

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Regulatory - ICFR Certifiction	17,200		1,300	
Regulatory - Corporate governance and risk management review	12,000	5,375	2,050	-
Employee renumeration survey	1,800	1,075	-	-
NDIC Certification	1,800	1,613	-	-
ISA 810 Engagement - (Commercial Paper Issuance Programme)	4,000			
	36,800	8,063	3,350	-

14 **Income tax expense**	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Tax charge for the year comprises:				
a) Income Tax Charge				
Income tax/Minimum tax	3,000,270	1,467,450	974	
Education tax	464,352	71,820	-	-
Windfall tax	210,413			
NITDA Levy	197,480	90,302	1,322	-
Police Trust Fund	994	265	275	
NASENI Levy	35,929	13,258	-	-
Total current tax charge	3,909,438	1,643,095	2,571	-
b) Deferred tax				
Recognised in income statement:				
Origination and reversal of temporary differences	(35,811)	330,282	-	-
Total deferred tax charge/(credit)	26,385	330,282	-	-
Income tax expense	3,935,823	1,973,377	2,571	-

c) Windfall Tax

banks in Nigeria licensed to carry out foreign exchange transactions under the Banks and Other Financial Institutions Act, 2020 and all other relevant Nigerian laws. The windfall profit levy applies to the 2023, 2024 and 2025 financial years. This change resulted in the recognition of the charge for the year ended 31 December 2023 as a change in estimate.

	N'000	N'000	N'000	N'000
(ii) Reconciliation of effective tax				
Profit before income tax	18,647,975	8,510,771	5,519,593	(491,797)
Effective tax as per accounts:				
Income tax using the companies income tax rate at 30%	5,594,393	2,553,231	1,655,878	(147,539)
Non-deductible expenses	4,813,927	321,406	32,325	255,600
Tax exempt income	(8,078,303)	(1,794,648)	(2,501,058)	(495,521)
Tax loss unutilised	812,865	387,461	812,865	387,461
Minimum tax	67,802	-	964	
Education tax	464,352	71,820		-
NITDA levy	197,480	90,302	1,322	-
Police Trust Fund	994	265	275	-
NASENI Levy	35,929	13,258	-	-
Effect of deferred tax	26,385	330,282	-	-
Income tax	3,935,824	1,973,377	2,571	0
Effective tax rate	21.11%	23.19%	0.05%	(0%)

15 Cash and bank balances	**N'000**	**N'000**	**N'000**	**N'000**
Cash in hand	163	4,327	-	-
Balances held with other banks:				
- Operating balance with Central Bank of Nigeria	1,084,706	421,148	-	-
- Balances with banks in Nigeria	1,119,939	5,947,395	75,169	247,411
- Balances with banks outside Nigeria	59,375,575	22,855,944	-	-
Cash on hand and balances with banks	61,580,383	29,228,814	75,169	247,411
- Mandatory reserve deposit with Central Bank of Nigeria	17,611,266	22,868,238	-	-
	79,191,649	52,097,052	75,169	247,411
Impairment allowance on cash and bank balances	(6,271)	-	(79)	-
	79,185,378	52,097,052	75,090	247,411

Reconciliation of impairment movement:	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
Balance at 1 January	-			
Reclassifications	5,073		-	-
Increase in loan provision for the year	1,199		79	
Balance at 31 December	6,272	-	79	-

16 Loans to banks and other financial institutions

Placements with banks	4,168,614	16,967,382	-	402,564
	4,168,614	16,967,382	-	402,564
Impairment allowance on placement with banks	(16,448)	(30,774)	-	-
	(16,448)	(30,774)	-	-
Loans to banks & other financial institutions net of impairment	4,152,166	16,936,608	-	402,564
Current	4,168,614	16,967,382	-	402,564
Non-Current	-	-	-	-
	4,168,614	16,967,382	-	402,564

Reconciliation of impairment movement:	GROUP 2024 N'000	GROUP 2,023 N'000	COMPANY 2024 N'000	COMPANY 2,023 N'000
Balance at 1 January	30,774	4,549		
Reclassifications	(18,009)			-
Increase/(decrease) in loan provision for the year	3,683	26,225		
Balance at 31 December	16,448	30,774		-

17 Financial instruments held for trading	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Quoted equity securities FVPL	588,562	231,835	-	-
Nigerian Treasury Bills	61,489,850	27,321,208	1,480,894	-
Federal Government of Nigeria Bonds FVPL	4,281,943	445,287	-	-
Mutual funds	1,706,674	1,630,648	331,968	498,358
Corporate bonds FVPL	-	417,140	-	-
	68,067,029	30,046,118	1,812,862	498,358
	-	-	-	
	68,067,029	30,046,118	1,812,862	498,358

Gains or losses are recognised in the income statement under 'Net gains on financial instruments held for trading'

18 Trading asset	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Federal Government of Nigeria bonds	19,701,520	19,700,513	-	-
	19,701,520	19,700,513	-	-

This relates to repurchase agreement where the Group obtained securities (FGN Bonds) from counterparties to be returned at pre-aggreed prices.

19 Derivative financial instruments	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Assets				
- FX forward contracts	347,140	48,775,795	-	-
	347,140	48,775,795	-	-
Liabilities				
- FX forward contracts	10,176,796	1,497,920	-	-
	10,176,796	1,497,920	-	-
Notional principal				
- FX forward contracts	173,288,000	13,769,065	-	-

(i) This represents the notional principal amounts, the positive (assets) and negative (liabilities) fair values of the Group's FX forward contracts. Fair value changes are recognised in the statement of comprehensive income. All derivative financial instruments are current.

20 Loans and advances to customers	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Loans and advances at amortised cost	138,375,568	125,613,052	1,450	1,971
Allowance for impairment	(2,941,491)	(1,836,010)	(120)	(120)
	135,434,077	123,777,042	1,330	1,851
Analysis of gross loans at amortised cost:				
Stage 1 loans and advances	135,445,244	123,615,069	1,450	1,971
Stage 2 loans and advances	-	-	-	-
Stage 3 loans and advances	2,930,324	1,997,983	-	-
	138,375,568	125,613,052	1,450	1,971
Current	115,237,346	102,474,830	-	
Non-Current	23,138,222	23,138,222	1,450	1,971
	138,375,568	125,613,052	1,450	1,971

Reconciliation of impairment movement:	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Balance at 1 January	1,836,010	1,096,877	120	120
Reclassifications	(16,533)		-	-
Increase in loan provision for the year	1,122,014	739,133	-	
Balance at 31 December	2,941,491	1,836,010	120	120

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
21	**Investment securities**				
	Analysis of investment securities				
	Debt securities (Note (i))	126,851,874	54,349,882	-	-
	Equity securities (Note (ii))	15,666	15,666	-	-
		126,867,540	54,365,548	-	-
(i)	**Debt securities**				
	Classified as fair value through other comprehensive income				
	Nigerian Treasury Bills	84,720,736	6,678,346	-	-
	Federal Government of Nigeria bonds	10,561,304	2,977,361	-	-
	State Government bonds	1,378,980	1,840,918	-	-
	Corporate bonds	4,529,383	4,462,321	-	-
	Commercial papers	676,598	28,831,323	-	-
	Euro Bonds fvoci	308,615	1,892,074		
		102,175,616	46,682,343	-	-
	Classified as amortised cost				
	Nigerian Treasury Bills	-		-	-
	Federal Government of Nigeria bonds	10,444,038	6,972,604	-	-
	Promissory notes	-		-	-
	Commercial Papers	8,327,795	669,775		
	Euro Bonds	6,512,363			
		25,284,196	7,642,379	-	-
	Impairment allowance	(607,938)	25,160	-	-
		(607,938)	25,160	-	-
	Total debt securities	126,851,874	54,349,882	-	-
	The reconciliation of the impairment allowance on debt securities is as below:				
	Balance at 1 January	(25,160)		-	-
	Reclassification	36,744			
	Increase in impairment allowance- Amortised cost	207,793		-	-
	Increase/ (decrease) in impairment allowance - FVOCI	388,561	(25,160)		
	At 31 December	607,938	(25,160)	-	-
(ii)	**Equity securities**				
	Classified as fair value through other comprehensive income				
	Quoted equity securities	-	-		-
	Unquoted equity securities	15,666	15,666	-	-
		15,666	15,666	-	-
	Investment Securities				

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
22	**Pledged assets**				
	Financial instruments at fair value through profit or loss				
	Nigerian treasury bills	141,496,964	25,331,745	-	-
		141,496,964	25,331,745	-	-
	Classified as fair value through other comprehensive income				
	Nigerian treasury bills	16,895,884	1,111,997	-	-
	Federal Government of Nigeria bonds	4,270,877	4,066,500	-	-
		21,166,761	5,178,497	-	-
	Amortised Cost				
	Federal Government of Nigeria bonds	8,829,932	1,530,800		
	Treasury Bills	-			
	Total pledged assets	171,493,657	32,041,042	-	-
	Current	158,392,848	26,548,968	-	-
	Non-current	13,100,809	5,492,074	-	-
		171,493,657	32,041,042	-	-

Debt securities are pledged for purpose of providing collateral to secure liabilities with counterparties. The disclosure above includes any transferred assets associated with secured borrowing.

		GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
23	**Leases**				
	Office spaces				
i)	Right of use of assets				
	Opening balance as at 1 January	225,006	194,472	4,359	8,695
	Net (charge)/additions during the period	238,405	173,425	9,546	-
	Lease remeasurement	(152,486)	(73,322)	-	-
	Expired lease during the period	(4,360)	(69,569)	(4,360)	(4,336)
	Closing balance as at 31 December	306,565	225,006	9,545	4,359

ii) Lease liabilities

Opening balance as at 1 January	56,358	160,900	-	8,695
Additions	171,766	8,050	9,545	
Interest expense (see note 6)	19,147	16,998	-	512
Lease remeasurement	3,210	-	-	-
Payments made during the period	(39,168)	(129,590)		(9,207)
Closing balance as at 31 December	211,313	56,358	9,545	-

iii) Amounts recognised in the statement of profit or loss

Depreciation charge of right-of-use assets	176,428	142,891	4,360	4,336
Interest expense	19,147	16,998	-	512

24 Other assets

Financial assets	**GROUP 2024 N'000**	**GROUP 2023 N'000**	**COMPANY 2024 N'000**	**COMPANY 2023 N'000**
Fees and other income receivables	6,622	4,026	6,040,003	1,370,003
Deposit for shares (Note i)		63	-	-
Deposit for investment (Note ii)	1,050,909	1,093,534	-	-
Other receivables	9,019,014	24,087,682	280,105	274,381
Gross other financial assets	10,076,545	25,185,305	6,320,108	1,644,384
Credit impairment on other financial assets - receivables	(516,528)	(41,134)	(261,617)	-
	9,560,017	25,144,171	6,058,491	1,644,384
Non financial assets				
Prepaid staff benefits	11,243	87,819	0	2,742
Prepaid assets	1,180,979	1,085,279	9,145	8,842
Withholding tax receivable	753,694	271,945	12,424	12,424
Others	62,029	856	-	-
Gross non financial assets	2,007,945	1,445,899	21,569	24,008
less: provision for doubtful receivables		11,378	-	-
	2,007,945	1,457,277	21,569	24,008
	11,567,962	26,601,448	6,080,060	1,668,392
Current	11,567,962	26,601,448	6,080,060	1,668,392
Non-current			-	-
	11,567,962	26,601,448	6,080,060	1,668,392

25 Non current asset held for sale		
Non current asset held for sale	-	852,063
Impairment on asset		852,063
	-	-

26 Investment in subsidiaries

	% Holding	December 2024 N'000	December 2023 N'000
FSDH Merchant Bank Limited	100.0	26,993,322	26,993,322
FSDH Asset Management Limited	99.7	2,700,000	2,700,000
Pensions Alliance Limited	51.0	587,010	587,010
FSDH Capital Limited	99.9	399,367	399,367
		30,679,699	30,679,699

27 Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using a statutory tax rate of 30%

Deferred income tax are attributable to the following items:
GROUP

Deferred tax liabilities				
Accelerated tax depreciation	(110,245)	(110,245)		-
Foreign exchange translation	(292,655)			
General provision	(29,717)			
Lease liability	(2,259)	-		-
	(434,876)	(110,245)	-	-
Deferred tax assets				
Accelerated tax depreciation				-
Tax loss carry forward	1,666,636	1,955,455		-
Lease liability	(34,208)	(34,208)		-
Credit impairment	3,559	3,559	-	-
	1,635,987	1,924,806	-	-
Deferred tax asset recognised	1,201,111	1,814,561	-	-

The group entities have deferred tax assets and deferred tax liabilities which has been presented on a net basis in the financial statements. The group entities have the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same tax authority.

Defered tax liabilites	1 January 2024	Recognised in P&L	Recognised in OCI	31 December 2024
	N'000	N'000	N'000	N'000
Accelerated tax depreciation	(110,245)		-	(110,245)
Foreign exchange translation	-	(292,655)	-	(292,655)
General provision	-	(29,717)	-	(29,717)
Lease liability		(2,259)	-	(2,259)
	(110,245)	(324,631)	-	(434,876)

Deferred tax asset		Recognised	Recognised	
	1 January 2023	Recognised in P&L	Recognised in OCI	31 December 2024
	N'000	N'000	N'000	N'000
Tax loss carry forward	1,955,455	(288,820)	-	1,666,636
Lease liability	(34,208)	-	-	(34,208)
Credit impairment	3,559.00		-	3,559
	1,924,806	(288,820)	-	1,635,987

Defered tax liabilites	1 January 2023	Recognised in P&L	Recognised in OCI	31 December 2023
	N'000	N'000	N'000	N'000
Accelerated tax depreciation	(166,044)	55,799	-	(110,245)
Foreign exchange translation	(19,601)	19,601	-	-
	(185,645)	75,400	-	(110,245)

Defered tax asset	1 January 2023	in P&L	in OCI	31 December 2023
	N'000	N'000	N'000	N'000
Tax loss carry forward	2,332,081	(376,626)		1,955,455
Lease liability	(2,642)	(31,566)		(34,208)
Credit impairment	1,049	2,510		3,559
	2,330,488	(405,682)	-	1,924,806

The company as an entity had no deferred tax assets or liabilities as at December 2024

28 Intangible asset

GROUP

Cost	Computer Software	Work in progress	Total
	N'000	N'000	N'000
At 1 January 2024	2,315,260	245,388	2,560,648
Additions	790,245	-	790,245
Reclassifications	80,275	(80,275)	-
At 31 December 2024	3,185,780	165,113	3,350,893
Accumulated amortisation			
At 1 January 2024	(1,540,544)	-	(1,540,544)
Charge for the year	(507,522)	-	(507,522)
Write offs		-	-
At 31 December 2024	(2,048,066)	-	(2,048,066)
Net book amount at 1 January 2024	774,716	245,388	1,020,104
At 31 December 2024	1,137,714	165,113	1,302,827

Cost	Computer Software	Work in progress	Total
	N'000	N'000	N'000
At 1 January 2023	1,869,424	79,814	1,949,238
Additions	200,448	165,574	366,022
Reclassifications			-
Transfers			-
At 31 December 2023	2,069,872	245,388	2,315,260
Accumulated amortisation			
At 1 January 2023	(1,540,544)	-	(1,540,544)
Charge for the year	(281,091)	-	(281,091)
At 31 December 2023	(1,821,635)	-	(1,821,635)
Net book amount at 1 January 2023	328,880	79,814	408,694
Net book amount at 31 December 2023	248,237	245,388	493,625

29 Property, plant and equipment

Refer to FA sheet

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
30 Trading liabilities				
CBN special bill (short position)	1,589,260	19,969,025	-	-
	1,589,260	**19,969,025**	**-**	**-**

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
31 Due to banks and other financial institution				
Call borrowings	8,308,945	15,486,096	-	-
Secured borrowings	55,023,797	9,556,236	-	-
Trade related obligations to foreign banks	78,419,803	6,309,798	-	-
	141,752,545	31,352,130	-	-

Secured borrowings represent various transactions in which financial assets are transferred in exchange for cash and a concurrent obligation to re-acquire the financial asset at a future date for a pre-determined consideration. The transferred asset have not been de-recognised in the books and form part of the financial assets in the statement of financial position disclosed as pledged assets.

32 Due to customers	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Demand	95,646,022	59,754,202	-	-
Term	142,826,332	65,653,325	-	-
Client investment products accounts	88,317,361	47,872,290	-	-
	326,789,715	173,279,817	-	-
Current	326,789,715	76,867,978	-	-
Non-current	-	-	-	-
	326,789,715	76,867,978	-	-

33 Other liabilities and provisions	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Financial liabilities:				
Customers' deposit for foreign trade (Note (i))	35,269,995	6,994,037	-	-
Amounts held on behalf of third parties	2,671,844	1,644,927	-	-
Unclaimed third party deposits	9,057	13,561	-	-
Sundry creditors	377,804	211,968	-	-
Accruals	9,098,146	1,963,516	924,825	200,513
Minimum pension guarantee (Note ii)	252,594	201,903	-	-
Dividends payable	10,386	213,315	10,386	213,315
Intercompany payables	-	-	382,941	1,299,423
Account payables	2,173,007	2,083,311	113,260	251,378
	49,862,833	13,326,538	1,431,412	1,964,629
Non financial liabilities:				
Non financial liabilities				
VAT payable	155,678	119,419	-	-
WHT payable	1,193,017	159,730	762,641	9,593
ECL provisions on financial guarantee contracts (Note iii)	161,428	115,605	-	(63)
Others	121,100	225,446		-
	1,631,223	620,200	762,641	9,530
	51,494,056	13,946,738	2,194,053	1,974,159

	GROUP 31 December 2024 N'000	GROUP 31 December 2023 N'000		COMPANY 31 December 2023 N'000
Current	51,494,056	13,946,738	2,194,053	1,974,160
Non-current	-	-	-	-
	51,494,056	13,946,738	2,194,053	1,974,160

(i) This represents the naira value of foreign currencies held on behalf of customer(s) to cover letters of credit transactions.

(ii) In line with PenCom guideline on the implementation of the minimum pension guarantee and the establishment of the Pension Protection Fund, Pension Fund Administrators are required to contribute 3% of their management fees into the Fund annually. This provision is meant to cater for eventualities of exhaustion of fund in retirement savings account of retirees.

(iii) This represents IFRS 9 ECL impairment provisions on off-balance sheet financial assets such as loan commitments and financial guarantee contracts - letters of credits.

Opening balance - 1 January	115,605	125,657	-	-
Additions/(Write-back) for the year (Note 8)	45,823	(10,052)	-	-
Closing balance - 31 December	161,428	115,605	-	-

	GROUP 2024 N'000	GROUP 2023 N'000	COMPANY 2024 N'000	COMPANY 2023 N'000
34 Debt instruments issued				
Debt instrument at amortised cost:				
Fixed rate unsecured bonds (Note (i) below)	1,904,478	2,534,817	1,904,478	2,534,817
FSDH Commercial Papers (Note (ii) below)	-	21,967,747	-	-
Senior unsecured debt Naira (Note (iii) below)	5,076,746	5,041,335	-	-
Subordinated fixed rate notes- Naira (Note (iv) below)	6,656,692	7,221,774	-	-
FSDH USD fixed rate subordinated private notes (see (iii) below)	5,831,678			
	19,469,594	36,765,673	1,904,478	2,534,817
Current	600,000	24,502,564	600,000	600,000
Non-current	18,869,594	12,263,109	1,304,478	1,934,817
	19,469,594	36,765,673	1,904,478	2,534,817
Movement in debt securities for the year:				
Opening position	36,765,673	35,119,803	2,534,817	3,167,249
Net discounted value of notes issued	5,199,010	42,982,616		
Redemptions during the year	(23,216,051)	(44,545,340)	(600,000)	(600,000)
Interest expense (Note 6)	2,314,838	4,891,068	269,987	347,639
Interest paid	(1,593,876)	(1,682,474)	(300,326)	(380,071)
Closing position	19,469,594	36,765,673	1,904,478	2,534,817

35 Other borrowed funds

Due to Customers		59,913,787	-	-
Due to IFC (Note (ii) below)		19,605,389	-	-
Due to Development Bank of Nigeria (Note (iii) below)	11,938,009	8,277,674	-	-
Bank of Industry (iv)	785,907	1,000,740		
	12,723,916	88,797,590	-	-
Current	-	59,913,787	-	-
Non-current	12,723,916	28,883,803	-	-
	12,723,916	88,797,590	-	-

The trade related obligations represents N76.4bn ($48.4m) on-lending facilities from Standard Chartered Bank Nigeria Ltd at the rates ranging between 5.12% to 9.34%, with maturity dates from two to six months.

(i)

(ii) This represents prior year balance of $20.5m due to International Finance Corporation. This borrowing matured in June 2024.
This represents the outstanding balance of N4.1bn of the N12.42bn on-lending facility obtained in 2022 at an average rate of 13.17% and the balance of N7.8bn of the N13bn facility newly obtained during the year from the Development Bank of Nigeria at an average rate of 22.25%. The borrowing is unsecured.

(iii)

vi) This represents the outstanding balance of N4.1bn of the N12.42bn on-lending facility obtained in 2022 at an average rate of 13.17% and the balance of N7.8bn of the N13bn facility newly obtained during the year from the Development Bank of Nigeria at an average rate of 22.25%. The borrowing is unsecured.

36 Share capital	31 Dec 2024 N'000	31 Dec 2023 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000
GROUP AND COMPANY				
Authorised				
2,000,000,000 Ordinary shares of N1 each	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid				
2,000,000,000 Ordinary shares of N1 each	2,000,000	2,000,000	2,000,000	2,000,000

37 Share premium and reserves

GROUP AND COMPANY

The nature and purpose of the reserves in equity are as follows:

(a) Share premium: Premiums from the issue of shares are reported in share premium.

	2024	2023
	N'000	N'000
Value of assets transferred under the scheme of arrangement to FSDH Holding Company Limited	28,954,699	28,954,699
Issued shares	(2,000,000)	(2,000,000)
Share premium	26,954,699	26,954,699

(b) Retained earnings: Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

(c) Restructuring reserve: This reserve arose as a result of the implementation of the financial holding company restructuring. It represents the difference between pre-restructuring share premium/share capital and

	Pre- Restructuring	Post-restructuring	Business restructuring reserve
	N'000	N'000	N'000
Share capital	2,794,794	2,000,000	
Share premium	1,539,587	26,954,699	
	4,334,381	28,954,699	(24,620,318)

(i) Amount in business restructure reserve which represents the difference between pre-restructuring share capital/ premium and post-restructuring share capital/ premium during the holding company restructuring have been reclassified to general reserves.

(d) Statutory reserve: In accordance with the Banks and Other Financial Institutions Act of 1991 (Amended), 15% of profit after taxation of FSDH Merchant Bank Limited, a subsidiary in the group has been transferred to statutory reserve. In addition, Pensions Alliance Limited, another subsidiary company in the group, has transferred 12.5% of its profit after taxation to a statutory reserve account which is required to be done on an annual basis under existing legislation of the Pensions Act.

(e) Fair value through other comprehensive income (FVOCI) reserve: The revaluation reserve shows the effects from the fair value measurement of financial instruments of the FVOCI category. Any gains or losses on this class of financial instruments are not recognised in the consolidated income statement until the asset has been sold or impaired.

Movement in fair value through other comprehensive income	GROUP		COMPANY	
	31 December 2,024 N'000	31 December 2,023 N'000	31 December 2,024 N'000	31 December 2,024 N'000
Opening balance	(1,577,004)	(4,549,302)	-	-
Movement during the year	(864,117)	2,972,298	-	-
Closing balance	(2,441,121)	(1,577,004)	-	-

(f) AGSMEIS reserve: In 2017, the Central Bank of Nigeria (CBN) issued guidelines to govern the operations of the Agricultural, Small and Medium Enterprises Scheme (AGSMIES), which was established to support

Movement in AGSMEIS Reserves	GROUP		COMPANY	
	31 December 2,024 N'000	31 December 2,023 N'000	31 December 2,024 N'000	31 December 2,024 N'000
Opening balance	1,348,333	1,114,136	-	-
Movement during the year	656,072	234,197	-	-
Closing balance	2,004,405	1,348,333	-	-

38 Credit risk reserve

The credit (regulatory) risk reserve represents the difference between the impairment on loans and advances determined using the prudential guidelines issued by the Central Bank of Nigeria compared with the expected loss model used in determining the impairment loss under IFRSs.

Movement in credit risk reserve

	GROUP		COMPANY	
	31 December 2024 N '000	**31 December 2023 N '000**	**31 December 2024 N '000**	**31 December 2023 N '000**
Opening balance	3,339,292	2,902,555	-	-
Adjustment to prior year				
Transfer to retained earnings	707,420	436,737	-	-
Closing balance	4,046,712	3,339,292	-	-

39 Prudential adjustment

	2024 Group 31 December	2023 Group 31 December
	N '000	N '000
Prudential guideline provisions - merchant banking subsidiary		
- Specific provisions on loans and advances	3,273,654	2,708,984
- General provisions on loans and advances	2,641,144	2,439,994
- Provision on off-balance sheet items	161,428	115,605
- Impairment allowance on Cash and Bank Balances	6,194	5,073
- Provision on loans to banks	10	3,394
- Provision on debt securities	351,116	141,321
'- Impairment allowance on receivables	1,301,465	148,888
	7,735,011	5,563,259
IFRS impairment provisions - merchant banking subsidiary		
- Impairment allowance on financial assets: loans & advances	2,915,137	1,809,687
- Impairment allowance on off balance sheet	161,428	115,605
- Impairment allowance on Cash and Bank Balances	6,194	5,073
- Impairment allowance on placements	10	3,394
- Impairment allowance on debt securities	351,116	141,321
'- Impairment allowance on receivables	254,415	148,888
	3,688,300	2,223,968
Difference in IFRS impairment over prudential guidelines accounted for in credit risk reserve	4,046,711	3,339,291

In line with the regulatory requirements of the Central Bank of Nigeria, provisions for loans recognised in the statement of comprehensive income determined based on the impairments provision requirements under IFRS should be compared with provisions determined under prudential guidelines and the difference should be treated as follows:

i. If impairment provisions under Prudential Guidelines exceeds the IFRS provisions; the resulting excess provision should be transferred from the general reserve account to a non-distributable "credit risk reserve".

ii. If provisions under the Prudential guidelines is less than the IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

40 Statement of cashflow notes

Reconciliation of profit before tax to cash generated from operations

	31 December 2024 N'000	31 December 2023 N'000	31 December 2024 N'000	31 December 2023 N'000
Profit before income tax	18,647,975	8,510,771	5,519,593	(491,797)
Adjustments for:				
– Amortisation (Note 27)	507,522	281,091	-	-
– Depreciation (Note 28)	907,556	674,977	107,632	37,039
– Depreciation on right of use asset (Note 23)	176,428	142,891	4,360	4,336
– Foreign exchange revaluation	(1,309,851)	(575,402)	(6,889)	871
– Profit on disposal of property and equipment (Note 12)	(25,123)	(16,658)	(21)	(803)
– Net interest income	(15,134,575)	(8,129,731)	105,620	301,881
– Dividend income (Note 11)	(158,581)	(52,841)	(8,336,860)	(1,651,738)
– Fair value (gain)/loss on financial instruments held for trading	(22,853)	(27,268)	(22,853)	(27,267)
– Fair value gain on derivative instruments held for trading	(4,300,000)	(47,277,875)	7,579	-
– Impairment (write-back)/charge on loans and advances (Note 8)	1,110,602	457,803	-	
– Impairment charge on other financial assets	647,059	(7,627)	-	852,000
Changes in working capital:				
– Balances with banks inside Nigeria (restricted cash) Note 15	5,256,972	3,694,131	-	-
– Balances with banks outside Nigeria (Note 15)	(36,519,631)	(10,190,856)	-	-
– Loans and receivables to customers	(12,762,516)	(6,419,303)	522	2,240
– Financial instruments held for trading	(38,019,904)	(17,192,667)	(558,251)	460,898
– Derivatives financial assets	48,428,655	(1,037,190)	-	-
– Pledged assets	(139,452,615)	(25,828,686)	-	-
– Other assets	15,033,486	(8,731,267)	1,628,333	1,272,746
– Due to banks	110,400,415	1,164,612	-	-
– Due to customers	77,436,224	69,912,466	-	-
– Derivatives financial liabilities	8,678,876	910,318	-	-
– Other liabilities	47,212,255	4,845,393	(357,054)	975,448
Cash (used)/generated from operations	86,738,376	(34,892,918)	(1,908,292)	1,735,854

Other operating activities cashflow				
– Interest received	55,414,211	25,532,939	164,367	46,138
– Interest paid	(40,279,636)	(11,036,109)	(284,070)	(380,071)
– Redemption/purchase of investment securities	(29,379,090)	12,982,667	(1,056,609)	-
Interest received				
Financial assets at fair value through profit or loss	5,453,422	12,838,693	125,975	
Financial assets at fair value through other comprehensive Income	13,417,702	4,795,125		
Financial assets at amortised cost	36,543,087	17,837,689	38,392	132
	55,414,211	35,471,507	164,367	132
Interest paid				
Financial assets measured at amortised cost	(40,279,636)	(10,772,338)	(284,070)	(380,071)
Proceeds from sale of plant, property and equipment				
Cost of disposed assets (Note 28)	401,329	300,641	25,752	17,093
Accumulated depreciation on disposed assets (Note 28)	(341,836)	(261,870)	(18,314)	(16,995)
Profit on disposal of property and equipment (Note 12)	25,123	16,658	21	803
Sundry write-offs	-	-	-	-
Proceeds from disposal	84,616	55,429	7,459	901
Dividends earned for the year	158,581	52,841	2,886,367	464,027
Dividends receivable at end of year	-	-	(5,345,086)	(1,370,000)

41 Cash and cash equivalents

For the purposes of statement of cash flow, cash and cash equivalents are balances that are held for the primary purpose of meeting short term cash commitments. This includes cash-on-hand, deposit held at call with banks and other short-term highly liquid investments which originally matures in three months or less from when the group became a party to the instrument.

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
	N'000	**N'000**	**N'000**	**N'000**
Cash and bank balances (Note 15)	79,191,649	52,097,052	75,169	247,411
Placements with banks and other financial institution (Note 16)	4,168,614	16,967,382	-	402,564
	83,360,263	69,064,434	75,169	649,975
Mandatory reserve with Central Bank of Nigeria	(17,611,266)	(22,868,238)	-	-
Others		(975,252)	331,968	-
Treasury Bills (Note 17)			424,285	
Customers' deposit for foreign trade (Note 32)		(6,994,037)	-	-
	65,748,997	38,226,907	831,422	649,975

42 Group entities

The Group is controlled by FSDH Holding Company Limited "the ultimate parent". The controlling interest of FSDH Holding Company Limited in the Group entities is as disclosed in the accompanying disclosures below -

The basis of consolidation of the Group's subsidiaries is as stated in Note 2.2. The following disclosures are provided as regards the company's interest in other entities and information relating to significant non-controlling interests in entities within the Group.

	Type of holding	**Principal line of business**	**Ownership Interest**	
			2024	**2023**
FSDH Merchant Bank Limited, incorporated in Nigeria	Direct	Merchant Banking	100.0%	100.0%
FSDH Asset Management Limited, incorporated in Nigeria	Direct	Fund & portfolio management	99.7%	99.7%
Pensions Alliance Limited, incorporated in Nigeria	Direct	Pension fund administration	51.0%	51.0%
FSDH Securities Limited, incorporated in Nigeria	Direct	Stockbroking	99.9%	99.9%

*FSDH Funding SPV PLC was established as a special purpose vehicle for the purpose of issuing bonds to fund working capital, enhance the liquidity and the capital base of FSDH Merchant Bank. Its shares are held by nominees under the declaration of a trust.

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Significant restrictions

There are no significant restrictions on the Group's ability to access and use assets or settle liabilities of the group other than those resulting from regulatory frameworks within which the subsidiaries operate. FSDH Merchant Bank Limited, a licensed banking entity by the Central Bank of Nigeria and Pensions Alliance Limited, a pension fund administration company are the only group subsidiaries that regulatory framework requires them to keep certain percentages of their profits in a restricted statutory reserve account (as disclosed in Note 36).

Non-Controlling Interests (NCI) in subsidiaries
Information relating to the Group's subsidiary with material NCI is as below -

Pensions Alliance Limited

NCI ownership interests & voting rights percentage	49%	49%
	2024	**2,023**
	N'000	**N'000**
Total assets	13,387,225	11,929,914
Total liabilities	4,042,477	2,605,687
Net assets	9,344,748	9,324,227
Carrying amount of NCI	4,578,927	4,568,871

Pensions Alliance Limited (cont'd)	**2024**	**2,023**
	N'000	**N'000**
Revenue	10,731,795	7,854,667
Profit before tax	5,102,530	3,658,203
Profit after tax	3,342,521	2,370,914
Profit allocated to NCI	1,607,072	1,161,748
Dividend paid to NCI during the year	1,627,780	-
Summarised cashflows		
Cashflow from operating activities	1,367,365	1,815,842
Cashflow from in investing activities	1,416,076	550,720
Cashflow used in financing activities	(3,331,600)	(55,905)
Net increase/(decrease) in cash and cash equivalents	(548,159)	2,310,657

43 Contingent liabilities and commitments

(a) Legal proceedings

The Group has litigation and claims which arose in the normal course of business amounting to N1.2billion and they are being contested by the Group. The directors, having sought professional legal counsel, are of the opinion that no loss will eventuate, hence no provision has been made for them in these financial statements.

(b) Credit related commitments

In the normal course of business, the banking subsidiary of the Group is party to financial instruments with off-balance sheet risk. The instruments are used to meet credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	GROUP		COMPANY	
	31 December 2024 N'000	31 December 2023 N'000	31 December 2024 N'000	31 December 2023 N'000
Letters of Credit	21,205,789	21,432,819	-	-
Performance bonds and guarantees	15,236,217	12,621,751	-	-
Loan Commitments	23,330,694	29,881,867	-	-
	59,772,700	63,936,437	-	-

The total outstanding contractual amount of the undrawn credit lines which represents loan commitments does not necessarily represent future cash outflows, as these lines may expire or terminate without being drawn. Likewise, there are varying conditions to be met before such commitments can be drawn upon.

44 Related party transactions

The parent company of the Group is FSDH Holding Company Limited
A number of transactions are entered into with related parties in the normal course of business. The volumes of related party transactions, outstanding balances at the year-end, and
Related entities

Directors and related entities
Legal Services

The company engaged the services of Udo Udoma & Belo-Osagie, a professional service law firm (related to directors of the company) during the year. The firm has an approved retainership agreement for annual fee of N10million with the company.

Key management personnel

(a) Compensation	GROUP 31 December 2024 N'000	GROUP 31 December 2023 N'000	COMPANY 31 December 2024 N'000	COMPANY 31 December 2023 N'000
Wages and salaries	1,746,680	1,399,065	372,888	126,605
Pension costs	116,069	93,888	12,361	4,607
	1,862,749	**1,492,953**	**385,249**	**131,212**

(b) Subsidiaries

(a) Transaction and balances

Name of entity	Relationship	Transaction	31 December 2024 N'000	31 December 2023 N'000
FSDH Merchant Bank Limited	Subsidiary	Current account	75,169	17,215
FSDH Merchant Bank Limited	Subsidiary	Interest income	-	-
FSDH Merchant Bank Limited	Subsidiary	Intercompany payable	382,941	754,667
FSDH Asset Management Limited	Subsidiary	Intercompany receivable	11,237	5,178
FSDH Capital Limited	Subsidiary	Intercompany receivable	790	6,780

(b) Dividends

Dividend income accrued or received by the Holding Company during the year from its subsidiaries are as listed below:

Name of entity	Relationship		31 December 2024 N'000	31 December 2023 N'000
FSDH Merchant Bank Limited	Subsidiary	Received	1,435,377	342,300
FSDH Merchant Bank Limited	Subsidiary	Receivable	6,040,000	1,370,000
FSDH Capital Limited	Subsidiary	Received	68,950	121,727
Pensions Alliance Limited	Subsidiary	Received	1,694,220	

(c) Technical Services

FSDH Holdco maintains a shared services arrangements with its subsidiaries for operational efficiency and resource optimization. These arrangements encompass the following service Internal audit, Information and technology, Brand marketing and communications, administration, Internal control , compliance , risk management e.t.c. These arrangements are structur with relevant regulatory guidelines and are subject to regular review to ensure continued compliance with regulatory requirements The costs are shared at actual cost incurred with no r

45 Insider related credits

There were no extension of credits to directors of the Group or affiliated entities as at December 2024

Customer and relationship	Facility Type	Amount N'000	Status under prudential guidelines	Nature of security

Insider-related credits include transactions involving shareholders, employees, directors and their related interests; the term director being as defined in section 20(5) of BOFIA 1991 (as amended). Under the circular, credits to employees under their employment scheme of service and shareholders' whose shareholding and related interest are less than 5% of the bank's paid up capital, are excluded. Impairment charge has been recognised in these financials with respect to the loans.

46 Earnings per share

(i) Basic
Basic earnings per share is calculated by dividing the net profit after tax attributable to the equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares held as treasury shares.

	GROUP		COMPANY	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Profit after tax attributable to equity holders of the parent (N'000)	13,105,080	5,344,884	5,517,022	(491,796)
Weighted average number of ordinary shares ('000)	2,000,000	2,000,000	2,000,000	2,000,000
Treasury shares ('000)	-	-	-	-
Weighted average number of ordinary shares excluding treasury shares ('000)	2,000,000	2,000,000	2,000,000	2,000,000
Basic earnings per share (in kobo per share)	655	267	276	(25)

(ii) Diluted

The company does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders.

47 Dividends

		31 December 2024 N'000	31 December 2023 N'000
Proposed dividend 2024	N2.50 (2023: Nil)	5,000,000,000	-

48 Compliance with regulations

During the year, the sum of N33.26million was paid as penalties to regulators (2023: N10M) as below -

Entity	Nature of Infraction	Regulator	N'000
FSDH AM	Delay in the opening of Custody account for FSDH Halal Fund	SEC	505
FSDH AM	FRCN penalties on 2023 Finacial statements	FRCN	2,250
FSDH AM	Launching a mobile app without SEC approval	SEC	675
FSDH AM	Advertisement on social media without approval from APCON		1,350
FSDH Capital	Appointment of director without prior notification/approval of the SEC	SEC	230
FSDH Capital	Registration of an outsoucred Compliance officer with SEC	SEC	2,250
FSDH Merchant Bank	Infraction from the CBN Risk Based Supervisory review which covered July 2022 to June 2023.	Central Bank of Nigeria	22,000
FSDH Holdco	Contravention of S6(2) CBN Guidelines for FHCs in Nigeria & Appointment of executive of Holdco to the Board of its subsidiaries	Central Bank of Nigeria	4,000
			33,260

49 Events after statement of financial position date

There were no other events subsequent to the financial position date which require adjustments to, or disclosure in these financial statements.

FSDH HOLDING COMPANY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
At 31 December 2024

29 Property and equipment

GROUP	Leasehold Improvement N'000	Office Equipment N'000	Computer Equipment N'000	Office Furniture & Fittings N'000	Motor Vehicles N'000	Work in Progress N'000	Total N'000
Cost							
At 1 January 2024	533,657.00	310,553	1,307,461	210,478	2,542,344	130,978	5,035,471
Additions	287,466.00	102,906	411,613	127,805	234,039	-	1,163,829
Reclassifications	-	-	-	-	68,960	(68,960)	-
Disposals	(898)	(675)	(9,794)	(4,212)	(385,750)	-	(401,329)
At 31 December 2024	820,225	412,784	1,709,280	334,071	2,459,593	62,018	5,797,971
Accumulated depreciation							
At 1 January 2024	(407,409)	(249,786)	(1,004,623)	(142,136)	(1,370,129)	-	(3,174,083)
Charge for the year	(100,514)	(34,078)	(211,243)	(24,372)	(537,349)	-	(907,556)
Reclassifications		-			-	-	-
Disposals	449	436	9,606	-	331,345	-	341,836
At 31 December 2024	(507,474)	(283,428)	(1,206,260)	(166,508)	(1,576,133)	-	(3,739,803)
Net book amount at 31 December 2024	**312,751**	**129,356**	**503,020**	**167,563**	**883,460**	**62,018**	**2,058,168**
Cost							
At 1 January 2023	471,921	299,420	1,040,366	182,631	2,040,809	130,438	4,165,585
Additions	61,736	11,807	271,979	35,798	788,667	540	1,170,527
Transfer							-
Reclassifications		-	-	-	-		-
Disposals	-	(674)	(4,884)	(7,951)	(287,132)	-	(300,641)
At 31 December 2023	533,657	310,553	1,307,461	210,478	2,542,344	130,978	5,035,471
Accumulated depreciation							
At 1 January 2023	(356,653)	(242,842)	(848,462)	(132,971)	(1,180,048)	-	(2,760,976)
Exchange differences	0	-	-	-	-		-
Charge for the year	(50,756)	(7,918)	(160,345)	(9,165)	(446,793)	-	(674,977)
Reclassifications					-	-	-
Write offs							-
Disposals		974	4,184	-	256,712	-	261,870
At 31 December 2023	(407,409)	(249,786)	(1,004,623)	(142,136)	(1,370,129)	-	(3,174,083)
Net book amount at 31 December 2023	**126,248**	**60,767**	**302,838**	**68,342**	**1,172,215**	**130,978**	**1,861,388**

FIVE YEAR FINANCIAL SUMMARY - GROUP

	Dec 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Gross earnings	**84,300,727**	44,494,053	33,205,321	18,202,558	22,574,038
Interest and similar expenses	**(40,279,636)**	(19,994,079)	(13,461,112)	(8,173,605)	(6,812,102)
Operating income	**44,021,091**	24,499,974	19,744,209	10,028,953	15,761,936
Profit before tax	**18,647,975**	8,510,771	5,351,441	(758,228)	5,172,074
Tax	**(3,935,823)**	(1,973,377)	(1,482,359)	(965,368)	(1,095,010)
Profit after tax	**14,712,152**	6,537,394	3,869,082	(1,723,596)	4,077,064
Minority interest	**(1,607,072)**	(1,192,510)	(899,743)	(845,085)	(731,138)
Profit attributable to equity holders	**13,105,080**	5,344,884	2,969,339	(2,568,681)	3,345,926
Earnings per share (kobo)	**655**	267	148	(128)	167

	Dec 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and bank balances	79,185,377	52,097,052	43,546,630	44,953,480	50,075,510
Loans to banks and other financial institutions	4,152,166	16,936,608	11,354,635	10,757,179	6,742,925
Financial instruments held for trading	68,067,029	30,046,118	3,333,673	3,960,411	5,071,473
Trading asset	19,701,520	19,700,513	10,208,003	-	-
Derivative financial instruments	347,140	48,775,795	460,730	821,873	238,691
Loans and advances to customers	135,434,077	123,777,042	117,814,870	77,354,301	38,617,398
Investment securities	126,867,540	54,365,548	56,372,785	41,443,714	44,205,402
Pledged assets	171,493,657	32,041,042	6,212,356	12,757,565	16,551,089
Other assets	11,567,962	26,601,448	17,870,181	4,935,955	1,887,681
Leases - Right of use assets	306,566	225,006	194,472	166,630	259,664
Current income tax asset	-	-	-	125,546	116,119
Retirement benefit scheme asset	-	-	-	-	-
Deferred tax assets	1,635,987	1,924,806	2,330,488	2,632,936	2,699,315
Intangible assets	1,302,827	493,625	262,889	349,376	517,482
Property and equipment	2,058,168	1,861,388	1,404,609	1,336,044	1,340,705
Total assets	622,120,016	408,845,991	271,366,321	201,595,010	168,323,454
Assets classified as held for sale	-	-	-	-	-
	622,120,016	408,845,991	271,366,321	201,595,010	168,323,454
LIABILITIES					
Trading liabilites	1,589,260	19,969,025	16,008,427	5,576,479	-
Derivative financial instruments	10,176,796	1,497,920	587,602	796,046	228,557
Due to banks	141,752,545	31,352,130	30,187,518	26,147,904	19,621,072
Due to customers	326,789,715	173,279,817	103,367,351	76,867,978	79,000,409
Lease liabilities	211,312	56,358	160,900	102,588	175,595
Current income tax liability	3,593,032	1,405,835	1,077,681	869,764	678,489
Deferred tax liabilities	434,876	110,245	185,645	215,198	202,731
Other liabilities	51,494,056	13,946,738	18,280,046	12,535,329	5,375,709
Borrowed funds	12,723,916	88,797,590	33,868,380	17,298,216	-
Debt securities issued	19,469,594	36,765,673	35,119,803	29,148,871	23,050,499
	568,235,102	367,181,331	238,843,354	169,558,373	128,333,061
NET ASSETS	53,884,914	41,664,660	32,522,968	32,036,637	39,990,393
SHAREHOLDERS' FUNDS:					
Share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Share premium	26,954,699	26,954,699	26,954,699	26,954,699	26,954,699
Treasury share reserve	-	-	-	-	-
Business restructure reserve	-	(24,620,318)	(24,620,318)	(24,620,318)	(24,620,318)
Retained earnings	4,438,755	19,366,452	15,996,692	14,764,629	21,330,017
Statutory reserve	13,403,414	10,356,593	9,420,403	8,877,288	8,528,692
Fair value reserve	(2,441,121)	(1,577,004)	(4,549,302)	(1,426,512)	2,804,779
AGSMEIS reserve	2,004,405	1,348,333	1,114,136	936,126	891,789
Credit risk reserve	3,048,856	3,339,291	2,902,554	2,094,906	-
	49,409,008	37,168,046	29,218,864	29,580,818	37,889,659
Non-controlling interest	4,475,906	4,496,614	3,304,104	2,455,819	2,100,734
SHAREHOLDERS' FUNDS	53,884,914	41,664,660	32,522,968	32,036,637	39,990,393

FSDH HOLDING COMPANY LIMITED

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

GROUP

	Dec 2024		Dec 2023	
	₦'000	%	**₦'000**	**%**
Gross earnings	**84,459,308**		44,546,894	
Interest and similar expenses	**(40,279,636)**		(19,994,079)	
	44,179,672		24,552,815	
Impairment allowance on risk assets	**(1,757,661)**		(981,152)	
Administrative Overheads- local	**(8,879,641)**		(5,032,244)	
Value added	**33,542,370**	100	18,539,419	100
Distribution of value added				
To employees and directors:				
Salaries and benefits	**13,631,680**	41	9,030,120	49
To government:				
Government as taxes	**3,935,823**	12	1,973,377	11
The future:				
For replacement of fixed assets (depreciation)	**891,175**	3	735,068	4
For replacement of intangible assets (amortisation)	**195,112**	1	120,569	1
For amortisation of Right of use asset	**176,428**	1	142,891	1
Due to non-controlling Interest	**1,607,072**	5	1,192,510	6
To reserves	**13,105,080**	39	5,344,884	29
	33,542,370	100	18,539,419	100

These statements shows the distribution of the wealth created by the Group during the periods.

COMPANY

	Dec 2024		Dec 2023	
	₦'000	%	₦'000	%
Gross earnings	**8,523,857**		1,743,524	
Interest and similar expenses	**(269,987)**		(348,151)	
	8,253,870		1,395,372	
Impairment allowance on risk assets	**(79)**		(852,000)	
Administrative Overheads- local	**(612,903)**		(280,105)	
Value added	**7,640,888**	100	263,267	100
Distribution of value added				
To employees and directors:				
Salaries and benefits	**1,747,686**	24	713,786	271
To government:				
Tax	**2,571**	0		-
The future:				
For replacement of fixed assets (depreciation)	**107,632**	1	36,943	14
For amortisation of Right of use asset	**4,360**	0	4,336	2
To reserves	**5,517,023**	75	(491,797)	-187
	7,379,271	100	263,267	100

These statements shows the distribution of the wealth created by the company during the period.