GREAT EXPERIENCES

# 2024 ANNUAL REPORT

GTCO

Proudly African, Truly International

Banking • Fund Managers • Pension Managers • Payments

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**www.gtcoplc.com**


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- Notice of AGM

GTCO

Guaranty Trust Holding Company plc

RC 1690945

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of GUARANTY TRUST HOLDING COMPANY PLC ("the Company") will hold virtually via https://www.gtcoplc.com/gtco-4th-annual-general-meeting, on April 24, 2025, at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended December 31, 2024, and the Reports of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare a dividend;
3. To authorise Directors to fix the remuneration of the Auditors;
4. To disclose the Remuneration of Managers of the Company;
5. To elect Members of the Statutory Audit Committee.

### SPECIAL BUSINESS

6. That in compliance with the Rule of the Nigerian Exchange Limited governing transactions with Related Parties or Interested Persons, the Company and its related entities ("The Group") be and are hereby granted a General Mandate in respect of all recurrent transactions entered into with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held.
7. That Non-Executive Directors remuneration for the financial year ending December 31, 2025 and for succeeding years until reviewed by the Company in its Annual General Meeting, be and is hereby fixed at ₦58,000,000.00 (fifty-eight million Naira only) annually for each Director

### PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. For the appointment to be valid, a completed proxy form must be deposited at the office of the Registrar, Datamax Registrars Limited, No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report. The Company will bear the cost of stamping of all duly completed and signed proxy forms submitted within the stipulated time.

### BY THE ORDER OF THE BOARD

**ERHI OBEBEDUO**

Group General Counsel/

Company Secretary

FRC/2017/NBA/00000016024

Plot 635, Akin Adesola Street

Victoria Island, Lagos

April 2, 2025

## NOTES

### 1. Dividend

If approved, dividend will be payable on April 24, 2025, at the rate of ₦7.03K per every 50 Kobo ordinary share, to Shareholders whose names appear in the Register of Members at the close of business on April 15, 2025 (bringing total Dividend paid for the 2024 financial year to ₦8.03K). Shareholders who have completed the e-Dividend Mandate Forms will receive a direct credit of the dividend into their bank accounts on the date of the Annual General Meeting. Note however, that holders of the Company's Global Depository Receipts listed on the London Stock Exchange will receive their dividend payments subsequently.

### 2. E-Dividend Mandate

Shareholders are kindly requested to update their records and advise Datamax Registrars Limited of their updated records and relevant bank accounts for the payment of their dividends. Detachable forms in respect of mandate for e-dividend payment, unclaimed/stale dividend payment and shareholder data update are attached to the Annual Report for convenience. The aforementioned forms can also be downloaded from the Company's website at www.gtcoplc.com or from Datamax Registrars Limited's website at **www.datamaxregistrars.com.**

The duly completed forms should be returned to Datamax Registrars Limited, at No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, or to the nearest GTBank branch.

### 3. Voting by Interested Persons

In line with the provisions of Rule 20.8 (h), Rules governing Related Party transactions of the Nigerian Exchange Limited, Interested Persons have undertaken to ensure that their proxies, representative or associates shall abstain from voting on resolution 6 above.

### 4. Unclaimed Dividend

Shareholders are hereby informed that unclaimed dividends remain in the custody of the Registrars. An Unclaimed Dividend booklet containing the list of all unclaimed dividends will be circulated with the Annual Report and Financial Statements. All Shareholders with unclaimed dividends are advised to revalidate their unclaimed dividends through the e-dividend mandate process either by visiting or writing to the Registrar, Datamax Registrars Limited, No. 2c, Gbagada Express Road, Gbagada Phase 1, Lagos State, or via email to **tsu@datamaxregistrars.com.**

### 5. E-Annual Report

The electronic version of the Annual report is available at www.gtcoplc.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via email to **annualreports@datamaxregistrars.com.**

### 6. Closure of Register

The Register of Members will be closed on April 16, 2025, to enable the Registrar to prepare for payment of dividend.

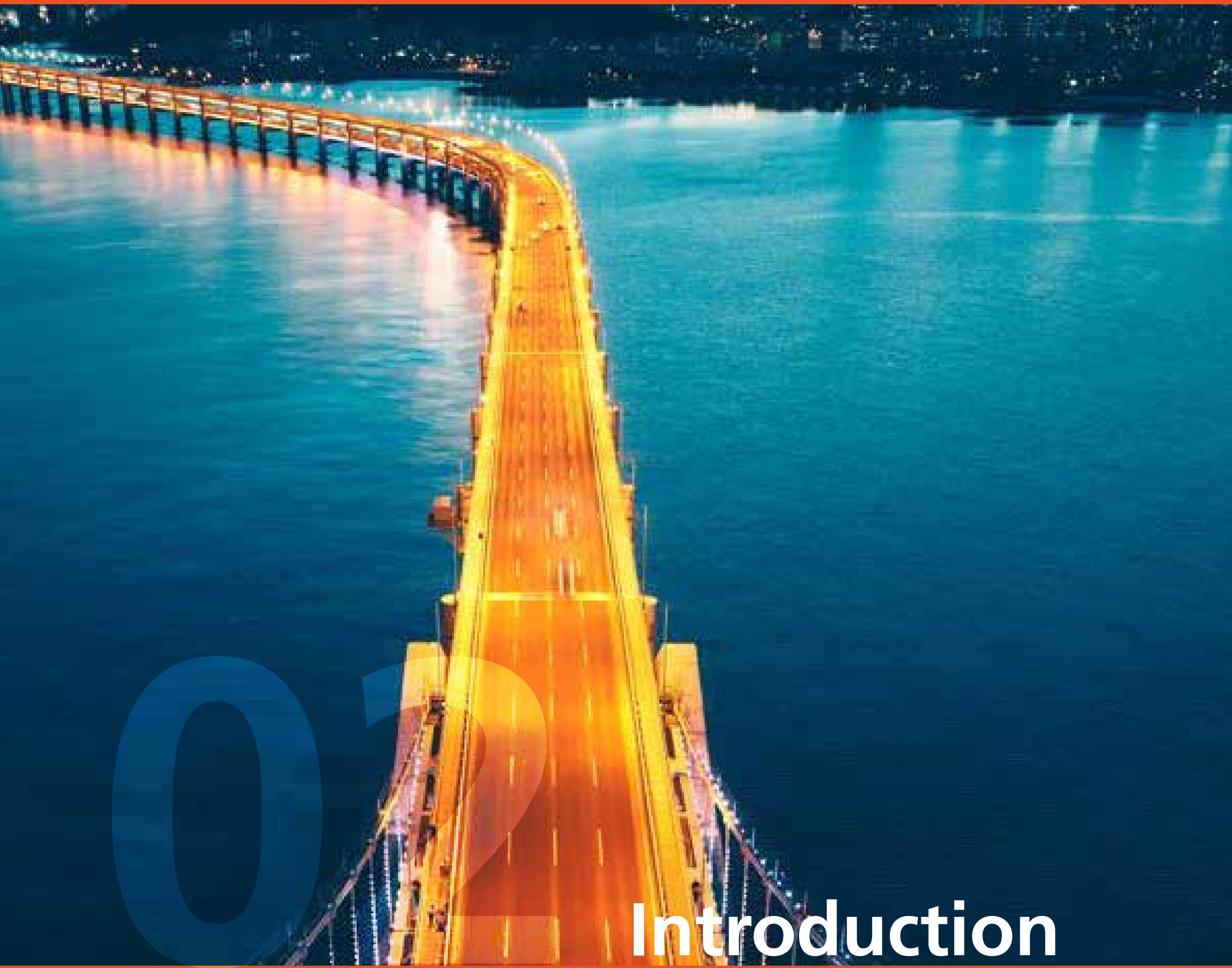
### 7. Statutory Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any shareholder may nominate a shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes. In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees.

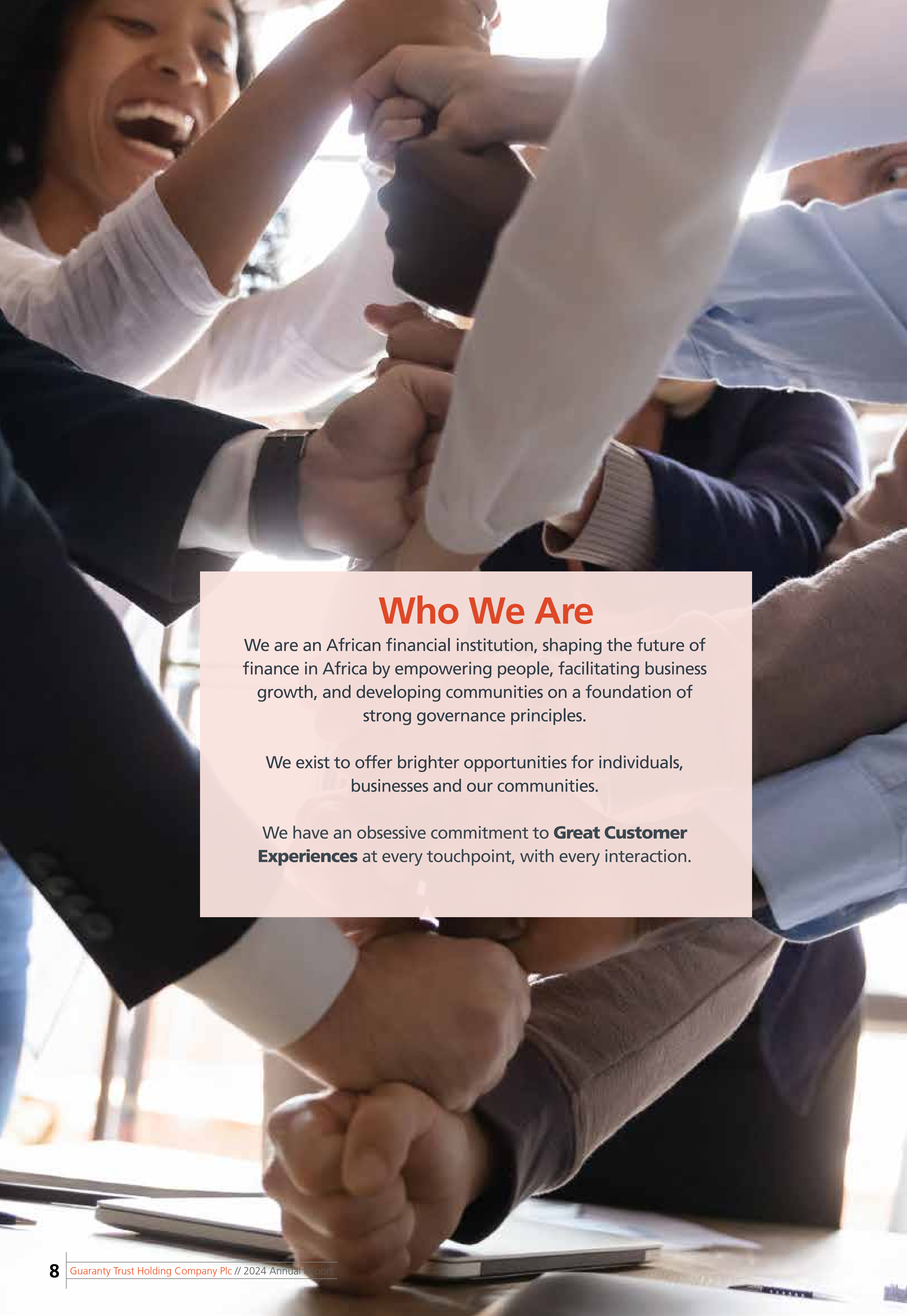
### 8. Shareholders' Right to Ask Questions

Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit questions prior to the Meeting in writing to the Company. Such questions should be addressed to the Company Secretary and reach the Company at its Head Office or by electronic mail at holdcocommunication@gtcoplc.com not later than seven (7) days to the date of the Meeting.



# 02 Introduction

- Who we Are
- Group Structure
- Chairman's Statement
- GCEO's Statement
- GTCO as an Investment

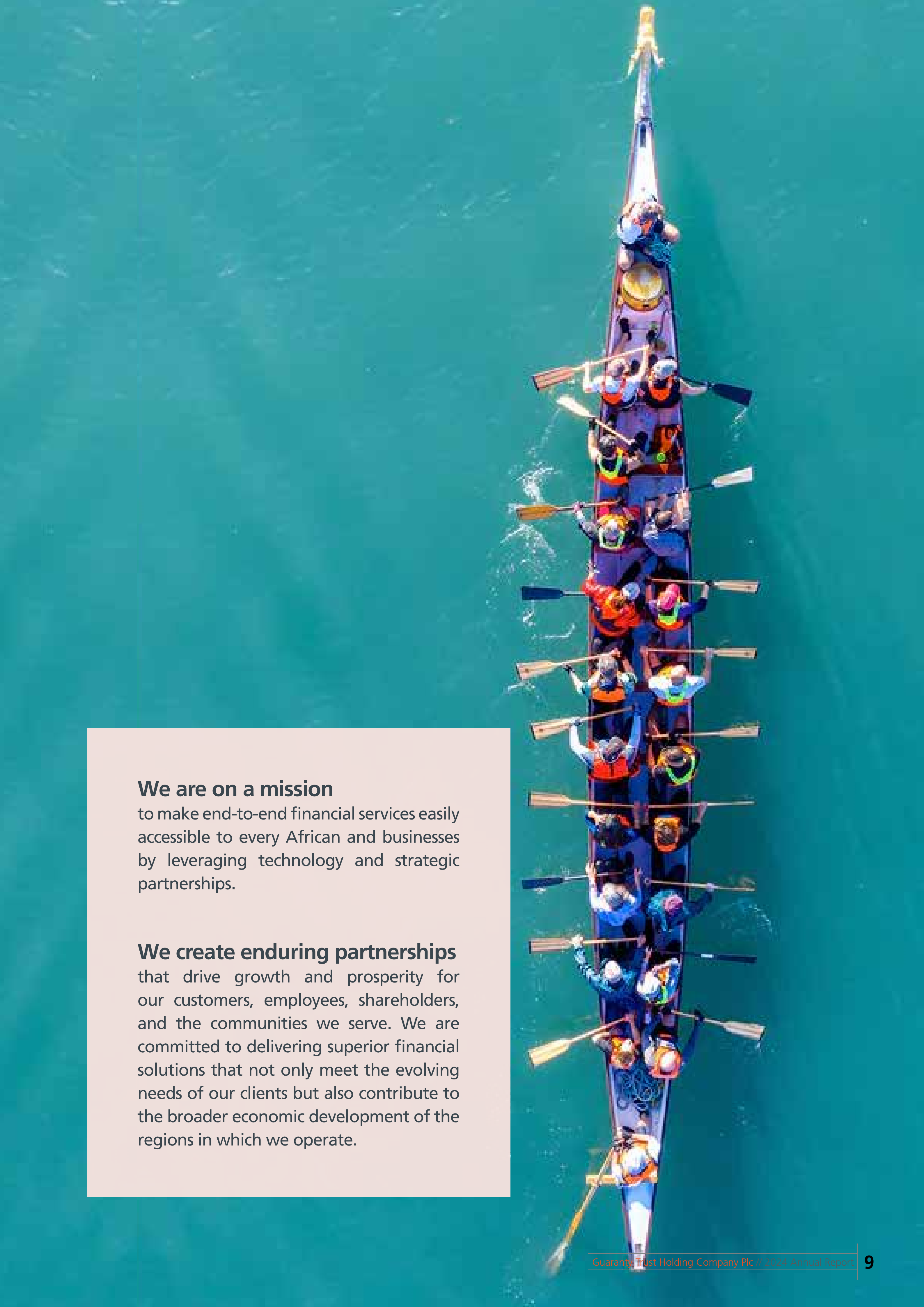


# Who We Are

We are an African financial institution, shaping the future of finance in Africa by empowering people, facilitating business growth, and developing communities on a foundation of strong governance principles.

We exist to offer brighter opportunities for individuals, businesses and our communities.

We have an obsessive commitment to **Great Customer Experiences** at every touchpoint, with every interaction.



## We are on a mission

to make end-to-end financial services easily accessible to every African and businesses by leveraging technology and strategic partnerships.

## We create enduring partnerships

that drive growth and prosperity for our customers, employees, shareholders, and the communities we serve. We are committed to delivering superior financial solutions that not only meet the evolving needs of our clients but also contribute to the broader economic development of the regions in which we operate.

# An Ecosystem of Financial Solutions

In 1990, we set out with a bold vision — to redefine banking in Nigeria by making service excellence our hallmark and differentiation our edge. With a culture built on innovation, integrity, and a deep commitment to excellence, we quickly became a trusted name in financial services.

As we grew, so did our reputation — spreading beyond Nigeria to the rest of Africa, where we became known for strong corporate governance, forward-thinking solutions, and a customer experience that truly set us apart.

In 2021, we took a bold step forward, transitioning from a pure-play commercial bank to a fully-fledged financial services group under a non-operating holding company structure. This reorganisation allows us to operate a well-integrated financial ecosystem, offering a broader range of financial solutions beyond banking.

Today, through our businesses — Guaranty Trust Bank, Guaranty Trust Fund Managers, Guaranty Trust Pension Managers, and HabariPay — we are creating an ecosystem that meets the financial needs of individuals and businesses at every stage of their journey.

# The GTCO Story: A Journey of Innovation and Excellence

Our Evolution
from **GTBank**
**to GTCO**


May we share our plans with you?

GUARANTY TRUST

## The Beginning

1990 – 1995

- **Guaranty Trust Bank** was incorporated and obtained a banking license in 1990.
- Began banking operations in 1991.
- Capital of NGN20mm (US$2mm) and 42 carefully selected investors.
- Focused on creating a truly professional bank with emphasis on learning, professionalism, service excellence, ethics and integrity.

## Market Recognition

1996 – 2000

- Listed on the Nigerian Stock Exchange in 1996. Strong market share in all viable business segments.
- Case studies written on the Bank by Harvard Business School and Cranfield Business School.

*"…a local business success story"*

**- Harvard Business School**


## Growth & Visibility

2001 – 2010

- Universal banking license in 2001.
- Expansion into Gambia and Sierra Leone in 2001.
- Public offering in June 2004.
- Highest rating in Nigeria - AAA by Agusto & Co.
- Expansion into Ghana in 2006.
- Expansion into Liberia in 2007.
- US$350mm Eurobond, US$852mm GDR issuance and LSE Listing in 2007.
- Expansion into UK in 2008.

## Top Tier Status

2011 – 2020

- Expansion into Cote d'Ivoire in 2012.
- US$400mm Eurobond successfully raised in 2013.
- Expansion into Kenya, Uganda and Rwanda in 2013.
- Started operations in Tanzania in 2018.
- GTBank continues to be the most profitable amongst Nigerian Banks.
- Over 400 branches collectively in ten countries.



## Financial Services Group

2021 – Date

- Reorganized for growth into Guaranty Trust Holding Company (GTCO) Plc in 2021.
- Launched Fintech/Payment Business in 2021.
- Acquired and launched Wealth Management and Pension Business verticals in 2022.
- Increased contribution of profitability from African banking franchise to 19.6% in 2023 from 7% in 2013.
- Crossed N1trn in PBT for the first time in 2024.
- Raised N209bn as part of an equity capital raise programme in January 2025.
- Positioned to enhance value proposition to customer base across expanded spheres of financial services.

# Together

For us at GTCO, we believe that our strength comes from working together as a team, and our success is built on collaboration and shared purpose. TOGETHER is more than an acronym—it is our way of life. It is the driving force behind our commitment to excellence and the reason we continue to be a trusted financial partner to millions of customers across Africa and beyond.

By embodying these values every day, we stay true to our purpose: to be Africa's leading financial services institution, creating innovative solutions that enrich lives and empower businesses.

**Because at GTCO, we don't just work—we thrive, innovate, and succeed TOGETHER.**

## T – TRUST

Trust is the foundation of everything we do. We earn the confidence of our customers, colleagues, and stakeholders by being transparent, dependable, and consistently delivering on our promises. We hold ourselves to the highest standards of integrity—ensuring that every transaction, every interaction, and every decision reinforces the trust placed in us.

**Why it matters:**

- Our customers trust us with their financial well-being, and we never take that for granted.
- We trust each other to collaborate openly and work towards common goals.
- We maintain a culture where trust is built on honesty, accountability, and ethical leadership.

# O – OPEN

We embrace openness as a way of thinking and working. Whether it is being receptive to new ideas, sharing knowledge freely, or engaging with our customers transparently, we believe that openness fuels innovation, fosters inclusion, and strengthens relationships.

**Why it matters:**

- We listen actively to our customers, understanding their needs to create better solutions.
- We maintain an open-door policy, encouraging dialogue and feedback at all levels.
- We embrace diversity of thought, recognizing that fresh perspectives drive meaningful progress.

# G – GUIDE

Great teams are built on mentorship, support, and shared growth. We take pride in guiding and uplifting one another, continuously leveraging our wealth of talent, experience and expertise to shorten the learning curve, and create an environment where knowledge flows freely and everyone is empowered to succeed.

**Why it matters:**

- We guide our customers by offering expert advice, helping them navigate their financial journeys.
- We guide our colleagues by mentoring and supporting their professional and personal development.
- We recognize that leadership is about empowering others to achieve their best.

# E – EXCEPTIONAL

Excellence is not just a goal—it is our standard. We strive to be exceptional in everything we do, from the quality of our products and services to the way we interact with customers and colleagues. We push boundaries, challenge the status quo, and continuously seek better ways to deliver value.

**Why it matters:**

- Our customers deserve nothing less than exceptional service, tailored to their needs.
- We are passionate about continuous learning and self-improvement.
- We set industry benchmarks, proving that African financial institutions can lead globally.

# T – THINK

We never settle for the obvious. We approach every challenge with curiosity and analytical rigor, using data-driven insights and strategic foresight to make informed decisions. In a rapidly evolving world, critical thinking ensures we remain adaptable, resilient, and innovative.

**Why it matters:**

- We analyze trends and anticipate customer needs, ensuring we stay ahead of the curve.
- We encourage a culture of problem-solving, where creativity and logic drive excellence.
- We empower our teams to make smart, well-reasoned decisions that benefit our customers and the organization.

## H – HARD WORK

There is no substitute for hard work. Understanding that we are our best when everyone does their best; we are relentless in our pursuit of excellence, putting in the effort required to achieve extraordinary results.

**Why it matters:**

- We go the extra mile to deliver outstanding service experiences for our customers.
- We stay committed to continuous improvement, refining our skills and capabilities and empowering our people to take responsibility.
- We understand that sustained effort is the foundation of long-term success.

## E – ETHICS

Doing the right thing is non-negotiable. We hold ourselves accountable to the highest ethical standards, ensuring that integrity is at the core of our business decisions, relationships, and operations.

**Why it matters:**

- Our customers trust us to act with honesty and fairness at all times.
- Ethical leadership ensures long-term sustainability and credibility in the marketplace.
- We foster a work environment where fairness, honesty, and compliance are the norm.

## R – RESPECT

Respect is fundamental to how we treat our customers, colleagues, and communities. We celebrate diversity, honor different perspectives, and uphold a culture of dignity and inclusiveness.

**Why it matters:**

- We listen to and value the voices of our customers, ensuring they feel heard and understood.
- We foster an inclusive workplace where everyone is treated with dignity, kindness, and empathy; creating a healthy and safe work environment.
- We engage with our communities wholeheartedly, recognizing that respect is the foundation of meaningful relationships.

**These values are more than mere words; they are the principles that shape our decisions, drive our actions, and inspire us to be the best version of ourselves—individually and as an institution.**

# Group Structure

**Guaranty Trust Holding Company Plc**

Nigeria

- **Guaranty Trust Bank Limited** 100%
- **Guaranty Trust Funds Management Limited** 100%
- **Guaranty Trust Pensions Managers Limited** 100%
- **HabariPay Limited** 100%

West Africa

- Guaranty Trust Bank (Ghana) Limited - 98.32%
- Guaranty Trust Bank (Core D'Ivoire) Limited - 100%
- Guaranty Trust Bank (Liberia) Limited - 99.43%
- Guaranty Trust Bank (Sierra Leone) Limited - 83.74%
- Guaranty Trust Bank (Gambia) Limited - 77.81%

East Africa

- Guaranty Trust Bank (Kenya) Limited - 76.90%
- Guaranty Trust Bank (Uganda) Limited - 70.00%
- Guaranty Trust Bank (Rwanda) Limited - 67.20%
- Guaranty Trust Bank (Tanzania) Limited - 76.20%

UK

- Guaranty Trust Bank (United Kingdom) Limited - 100%

# GTCO as an **Investment**

At GTCO Plc, our unwavering dedication to operational excellence and our strong reputation firmly establish us as a premier African financial services group.

We offer an attractive investment proposition by delivering market-leading returns and diversified growth through our extensive operations across multiple regional jurisdictions and our involvement in various financial services segments, including banking, funds management, pensions, and payments. Here's what sets us apart.

## Financial Performance

### Robust Balance Sheet and Solvency Position

The Group maintains a resilient balance sheet with strong capital positions and compliance with Basel III requirements.

### Efficient Cost Management and Consistent Returns

GTCO Plc maintains best-in-class cost to income ratios and consistently strong returns on assets and equity.

## Operational Excellence

### Comprehensive Financial Solutions

As a fully-fledged financial services institution, we offer an integrated suite of banking, investment, pension management, and payment solutions, ensuring that all your financial needs are met in one place.

### Innovative and Customer-Focused

We are at the forefront of digital banking innovation, delivering seamless experiences through user-friendly platforms designed to simplify your financial life.

### Advanced Information Technology Systems

GTCO Plc leverages technology and strategic partnerships to provide accessible financial services and continuously innovate.


## Reputational Prestige

### Well-recognised and Trusted Brand

The "GTCO" brand is well-recognised globally for its trust and integrity. As a "Proudly African, Truly International" brand with a presence in multiple African countries and the UK, the Group blends local expertise with international best practices.

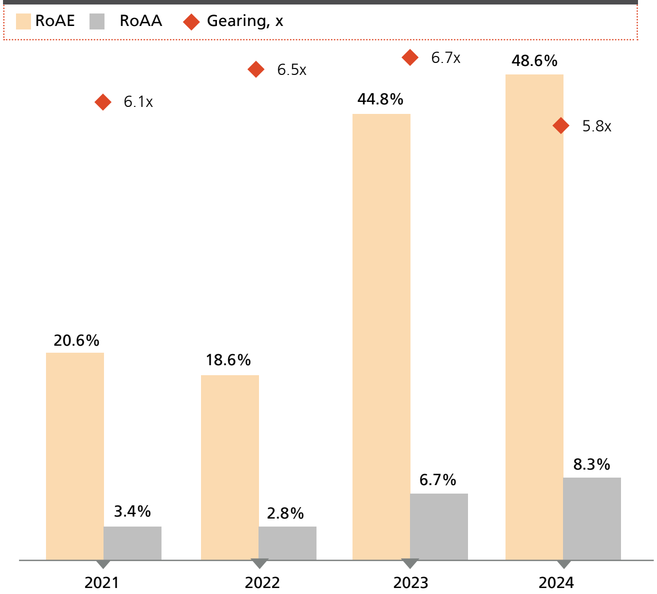
### Commitment to Social Impact

At GTCO, our commitment to giving back runs just as deep as our passion for creating value and is driven by our belief that building strong businesses and creating better outcomes for all are essential for long-term success.

### Experienced Leadership Team

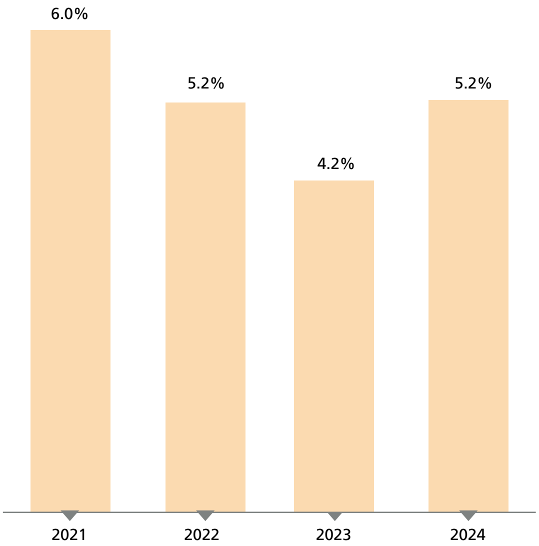
With decades of leadership in the financial sector, GTCO Plc's executive leadership team has a proven track record in accessing capital markets, driving efficiencies, and anticipating industry trends.

## GTCO RoAE (post-tax), RoAA (post-tax) and Gearing(1)

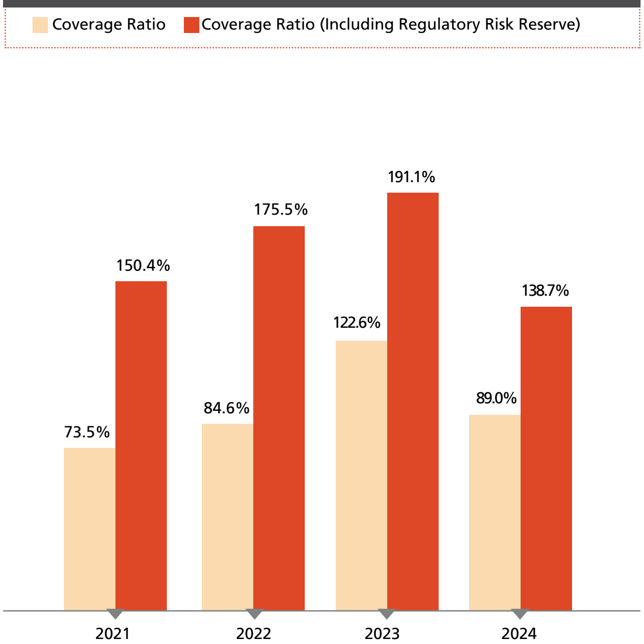



**Note:** (1) Gearing = RoAE / RoAA

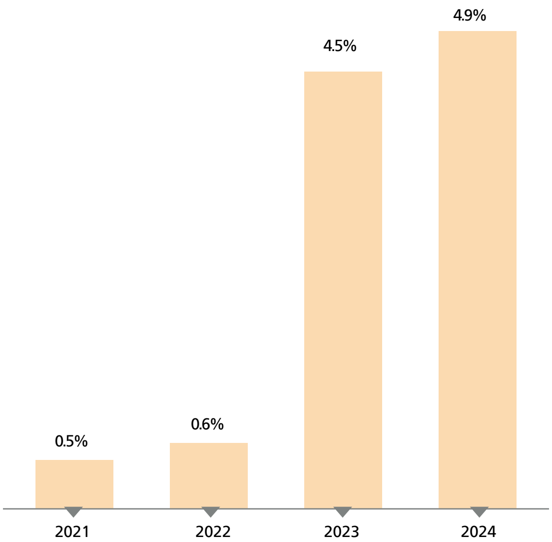
## NPL Ratio




## Coverage Ratio




## Cost of Risk



## Credit Ratings

Best in Class' ratings within its peer group at B-/B- (with both stable outlook) from Fitch and S&P respectively[1].

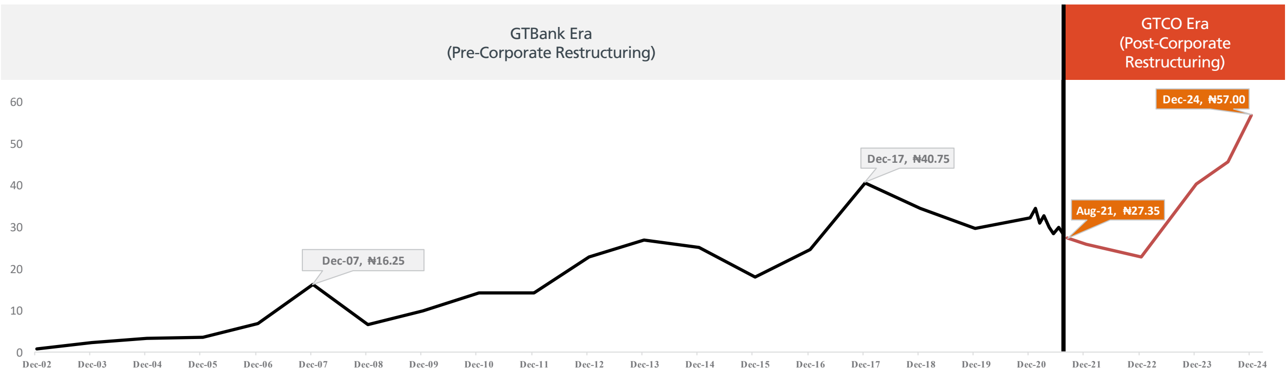
| Rating Agency | Year | National Rating | | Foreign Currency Rating | | |
|---|---|---|---|---|---|---|
| | | Long-Term Rating | Short-Term Rating | Long-Term IDR | Short-Term IDR | Outlook |
| Fitch Ratings | 2022 | AA(nga) | F1+(nga) | B- | B | Stable |
| | 2023 | AA(nga) | F1+(nga) | B- | B | Stable |

| Rating Agency | Year | Issuer Credit Rating | Nigeria National Scale |
|---|---|---|---|
| S&P Global Ratings | 2022 | B-/Stable/B | ngBBB/--/ngA-2 |
| | 2023 | B-/Stable/B | ngBBB+/--/ngA-2 |

1. Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or make any investment decisions. Ratings may be changed, suspended, or withdrawn at any time by the assigning rating agency.

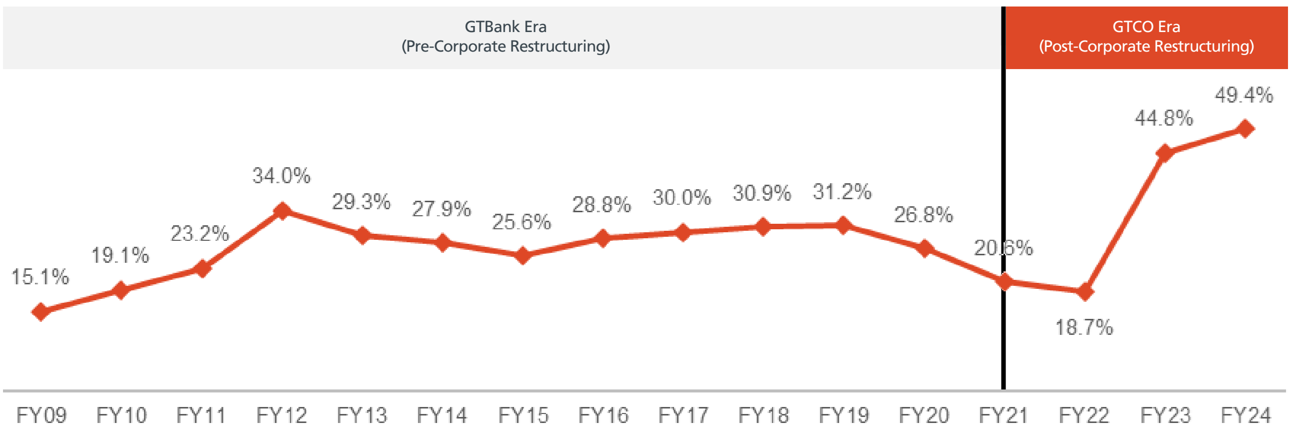
## Historical Share Price Performance

Liquid stock with consistent appreciation in value



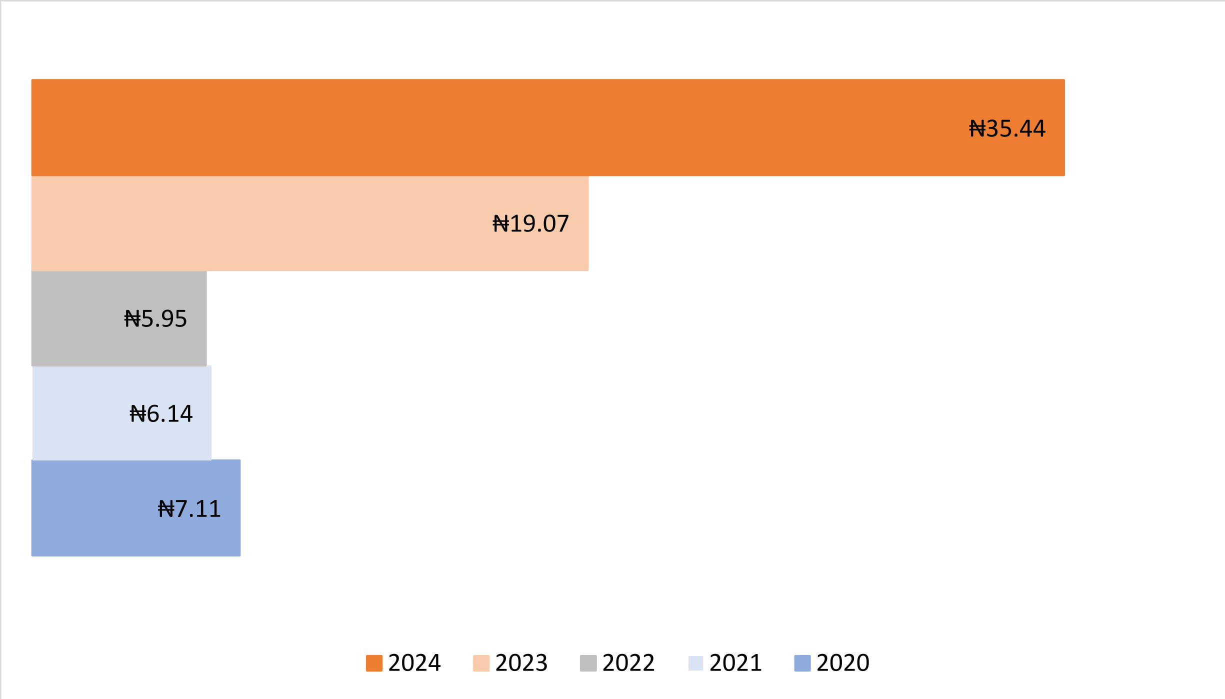

## Historical Shareholder's Equity

Long History of Profitability and Efficient Use of Shareholders' Equity



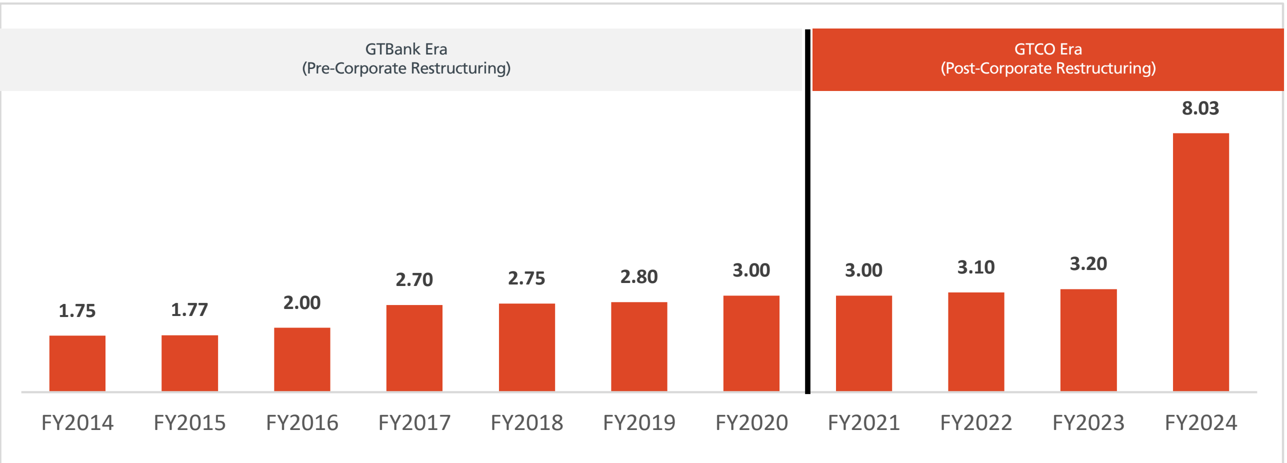
## Earnings Per Share

Higher, growing EPS underpinned by growing profitability




## Historical Dividend Payout

Increasing Dividend Payout over the Last 10 Years (DPS) (₦)



MESSAGE FROM THE BOARD CHAIR

# Resilience, growth, and a future of **possibilities**

## Distinguished Shareholders,

2024 was a year of profound transformation across global markets, as economies navigated rising geopolitical tensions, inflationary pressures, and shifting monetary policies.

H. A. **Oyinlola** | Board Chair

The global financial system continued to adjust to high interest rates, supply chain disruptions, and evolving energy dynamics, with developed economies such as the United States, Canada, and the Eurozone responding with varied fiscal and monetary interventions to curb inflation while sustaining growth. In Africa, the ripple effects of these macroeconomic developments, compounded by local challenges, created a complex operating environment for businesses and financial institutions.

Nigeria, like many emerging economies, faced a particularly dynamic year. Households and businesses continue to navigate the effects of ongoing monetary and fiscal reforms aimed at stabilising the economy, restoring investor confidence, and setting the country on a path of sustainable growth. Key among these initiatives was the unification of exchange rates, a necessary step toward improving transparency and attracting foreign investment. The removal of fuel subsidies—while initially challenging for households and businesses—was a significant policy move designed to free up fiscal resources for critical infrastructure and social programmes. Additionally, the restructuring of the country's monetary policy framework, including tightening liquidity measures and raising interest rates to combat inflation, was instrumental in maintaining economic stability.

These reforms, while necessary for long-term economic resilience, presented immediate pressures on businesses and consumers. Higher borrowing costs and inflationary trends tested the resilience of industries, while households had to adjust to rising living expenses. Yet, amidst these challenges, Nigeria's entrepreneurial spirit and the strength of its financial system shone through.

## GTCO: Leading with Strength and Innovation

At Guaranty Trust Holding Company Plc, we navigated this challenging environment with a clear vision, strong governance, and an unwavering commitment to creating long-term value. Our ability to remain agile and forward-thinking positioned us ahead of the curve, enabling us to deliver record-breaking performance. In 2024, we became the first Nigerian bank to surpass the ₦1 trillion profit mark—an achievement that underscores the resilience of our business model, the dedication of our people, and the trust our customers place in us.

Our success in an evolving macroeconomic landscape is built on three pillars: operational excellence, disciplined risk management, and a relentless focus on customer-centric innovation. Our banking business continues to demonstrate strong fundamentals, supported by a robust capital base and efficient cost management. Our strategic diversification into payments, asset management, and pension fund administration has provided complementary revenue streams, reinforcing our leadership in the financial services sector.

## A Future Defined by Possibilities

As we look ahead, we remain confident in the long-term potential of global economies. While the financial services sector continues to adapt to evolving global and domestic challenges, its resilience and capacity for innovation positions it well for future growth. Nonetheless, ongoing geopolitical uncertainties and domestic economic headwinds necessitate vigilant policy responses to sustain and enhance economic stability. In Nigeria and other African economies, structural reforms, when fully realised, will create a more competitive, investor-friendly landscape.

At GTCO, we will continue to strengthen our digital capabilities, invest in innovation, and expand our reach to ensure we remain at the forefront of financial services in Africa. Our people remain our greatest asset, and I am deeply grateful for their commitment and resilience in driving our success. I also extend my appreciation to our customers, shareholders, and regulators for their trust and partnership. Together, we are shaping a future of limitless possibilities, ensuring that GTCO remains a beacon of stability, progress, and growth.

Thank you.

**H. A. Oyinlola**
**Board Chair**

GROUP CEO'S STATEMENT

# Fellow **Shareholders,**

The past year has reinforced a truth that has always defined successful businesses—the ability to adapt, innovate, and create value in an ever-evolving landscape. The global economy in 2024 was shaped by shifting monetary policies, geopolitical uncertainties, and an accelerating wave of digital transformation.

Segun **Agbaje** | Group CEO

Advanced economies demonstrated resilience, leveraging innovation and strong consumer spending to drive growth, while emerging markets navigated complex challenges, from inflationary pressures to currency fluctuations. In Nigeria, economic reforms aimed at fostering long-term stability also demanded short-term adjustments, with businesses contending with inflation, exchange rate volatility, and rising costs. Yet, amid these dynamics, one thing remained constant: the need for businesses to stay ahead by embracing change, unlocking new opportunities, and delivering real value for stakeholders.

## The GTCO Story: Pioneering Excellence, Diversification and Ecosystem Growth

At Guaranty Trust Holding Company Plc, our strategy is rooted in a deep understanding of the financial services landscape, a commitment to innovation, and an unwavering focus on the customer. Whether it's making banking easier, simplifying investment decisions, securing retirement plans, or enabling fast and secure digital transactions, our businesses work together to create real value.

From inception, we have set the pace for innovation in financial services, achieving many industry-firsts that have redefined banking in Nigeria and beyond. Our journey began as a purely commercial banking franchise with a simple but powerful mission—to redefine service excellence in an industry where convenience and efficiency were not the norm. At a time when banking was slow and bureaucratic, we set ourselves apart by being nimble, customer-focused, and technology-driven. We introduced a service culture that prioritized speed, transparency, and innovation, earning a reputation as the bank of choice for individuals and businesses seeking a smarter way to manage their finances.

Today, as a fully-fledged financial services group, we have expanded beyond banking, building an ecosystem that delivers a broad range of financial solutions across asset management, pension fund administration, and digital payments. This ecosystem-driven approach ensures that we meet the evolving needs of our customers at every stage of their financial journey while sustaining long-term profitability and growth. Our ability to lead and win in a highly competitive market stems from a digital-first approach, an unrelenting pursuit of service excellence, and the strategic deployment of technology to enhance efficiency, drive financial inclusion, and deliver long-term value.

In 2024, we reached a historic milestone, delivering over N1 trillion in Profit Before Tax—the first Nigerian financial institution to achieve this feat. This achievement underscores not only the strength of our business model but also the disciplined execution of our strategy, the dedication of our people, and the trust of our customers and stakeholders. Our story is one of resilience, foresight, and an unyielding commitment to pushing boundaries carefully, while we remain dedicated to setting new records and shaping the future of financial services.

## Banking: Strengthening Our Market Leadership

Guaranty Trust Bank remains at the core of our business, driving growth across our operations in Nigeria, West Africa, East Africa, and the United Kingdom. In 2024, we navigated a rapidly evolving regulatory and macroeconomic environment with a sharp focus on strengthening our financial position and delivering best-in-class banking services. The Central Bank of Nigeria's recapitalisation policy presented an opportunity to reinforce our market leadership, and we successfully completed the first phase of our equity capital raising plan through the Slice of Orange Public Offer. Our Public Offer attracted strong participation from domestic retail and institutional investors, raising ₦209.41 billion and expanding our shareholder base from 332,000 to over 460,000. With this momentum, we are poised to launch the second phase of our capital raising plan in 2025, targeting significant foreign institutional investments to further solidify our reputation as a globally recognised and competitive financial services brand.

Our strategy is clear: strengthen our balance sheet, deepen customer relationships, drive cost optimisation and expand our footprint across key markets, ensuring that we remain the preferred financial services partner for individuals and businesses alike. Our fortified balance sheet, anchored on prudent risk management, strong corporate governance, and capital adequacy, enables us to weather economic headwinds while sustaining our leadership position.

## Fund Management: Empowering Customers to Build Financial Security

Our wealth management business, Guaranty Trust Fund Managers, continues to redefine asset management in Nigeria, offering tailored investment solutions to individuals and businesses alike. In 2024, we saw an unprecedented surge in Assets under Management, which doubled to approximately ₦654.0 billion, reflecting strong investor confidence and the effectiveness of our data-driven approach to portfolio management. By leveraging technology, we have enhanced the investment experience for our clients, providing seamless access to diversified portfolios, real-time market insights, and sophisticated risk management tools. Our ambition remains clear—to be among the top three fund managers in Nigeria in the medium term, offering innovative financial solutions that empower individuals and institutions to build wealth sustainably.

## Pensions: Securing the Future

Guaranty Trust Pension Managers is committed to delivering excellent service and efficiency. In 2024, we continued to prioritise fund security, competitive returns, and seamless service delivery. Retirement planning is a lifelong journey, and our approach is centered on making that journey as secure and rewarding as possible for our customers. With a focus on transparency and digital accessibility, we are setting new benchmarks in pension fund administration, ensuring that every client sees their pension as an investment, while enjoying peace of mind and financial security for the future.

## Payments: Driving Business Growth

Our payments business, HabariPay Limited, continues to disrupt the digital payments landscape with innovative solutions that drive financial inclusion and business growth. The Squad Virtual Account remains a pivotal enabler for businesses, streamlining transactions for small and large merchants. In the 2024 financial year, HabariPay reported a profit before tax of ₦4.2 billion, a 80.1% increase from the previous year, while gross earnings grew by 19.3% to ₦5.9 billion. This strong performance reflects value creation from our strategic investments in technology, cybersecurity, and user experience, ensuring that digital transactions are fast, secure, and frictionless. As digital adoption accelerates, we remain committed to expanding our capabilities and delivering payment solutions that empower businesses and individuals alike.

## Recognitions

Our commitment to excellence and innovation, as well as our communities, did not go unnoticed. In 2024, we were named the Best Bank for CSR in Nigeria by Euromoney, a testament to our impact-driven corporate social responsibility initiatives. Global Brands recognised us as the Best Banking Brand and the Best Brand in Financial Services, reaffirming the strength of our identity, customer-centric approach, and leadership in the industry. These accolades reflect the dedication of our people, whose expertise, creativity, and commitment continue to drive our success. We believe that the right talent, empowered by the right technology, is the key to sustaining our competitive edge and delivering exceptional experiences for our customers.

## Looking Ahead

We remain deeply committed to shaping the future of financial services. Our focus will be on deepening digitalisation, enhancing customer experiences, and expanding our ecosystem of financial and non-financial solutions. We will continue to invest in cutting-edge technology, strengthen our cybersecurity framework, and build strategic partnerships that unlock new growth opportunities. More importantly, we will stay true to our purpose—driving economic progress, fostering financial inclusion, and creating sustainable value for all stakeholders.

Fellow Shareholders, the future is bright for our company.

The strength of our businesses, the clarity of our vision, and the resilience of our people position us to seize new opportunities and redefine financial services in Africa and beyond.

Thank you for your trust and confidence in our journey.

**Group Chief Executive Officer**

03

# Strategic Report

- Business Environment
- Corporate Strategy
- CSR is Our Heart

# Business Environment

Over the past decade, the regulatory landscape of the financial services sector in Sub-Saharan Africa has significantly evolved. In response to an increasingly dynamic business environment, financial institutions are required to navigate stringent capital requirements, rapid advancements in digital technology, and growing sustainability expectations to remain competitive. GTCO is well-positioned to proactively adapt to these evolving demands, ensuring continued compliance and strategic growth in an ever-changing market.

## Banking Business - Nigeria

In 2024, the Nigerian economy faced significant challenges, including rising inflation, a weakened currency, high energy costs, and elevated interest rates. Economic growth remained muted, with GDP expansion of 3.40%, falling short of the Federal Government of Nigeria (FGN)'s 3.8% target but exceeding the IMF projection of 3.1%.

Despite these headwinds, Nigeria's external reserves recorded a notable increase of 24.20%, reaching US$40.88 billion. This growth was primarily driven by increased foreign exchange inflows from oil revenues and proceeds from debt issuances. In addition, the Central Bank of Nigeria (CBN)'s contractionary monetary policy played a pivotal role in stabilising the economy and attracting foreign investment.

In order to mitigate the impact of high inflation and support household consumption, the FGN raised the national minimum wage from ₦30,000 to ₦70,000 in 2024. However, the increase had a limited effect on consumers' purchasing power, as many state governments and private sector employers have yet to adjust their wages accordingly, a trend likely to persist into 2025.

Looking ahead, Nigeria's GDP growth is expected to improve in 2025, supported by an increased fiscal budget and the recapitalisation by banks. Headline inflation is also projected to ease due to a more stable Naira and the rebasing of the Consumer Price Index (CPI). Consequently, market interest rates and yields may moderate, as further policy rate hikes by the Monetary Policy Committee are deemed unlikely in the near term.

Furthermore, the implementation of market-friendly policies and the introduction of the BMatch trading platform by the CBN, which has enhanced transparency in the dealings in the Nigerian foreign exchange market, are anticipated to attract foreign portfolio investors and keep the Naira stable. In addition, the Naira is expected to benefit from reduced foreign exchange demand for refined petroleum product imports.

As a conseqenence, the financial services industry necessitates that institutions like GTCO ensure the compliance of its operating entities with regulatory requirements to enhance resilience, stability, and capacity to drive economic growth. Across the region there have been steps to increase the minimum core capital of banking institutions to strengthen the capacity of banks to support economic growth, provide credit and retain the overall resilience of the banking system.

In March 2024, the CBN revised the minimum capital requirements for commercial, merchant, and non-interest banks in order to insulate the institutions against macroeconomic challenges and headwinds affecting the Nigerian banking sector, driven by both domestic and external shocks. In order to ensure a secure, robust, and stable banking system in accordance with its mandate under Section 9 of the Banks and Other Financial Institutions Act (BOFIA) 2020, the CBN increased the minimum capital thresholds for financial institutions. To meet the revised capital requirements, the CBN outlined the following three strategic alternatives for banks:

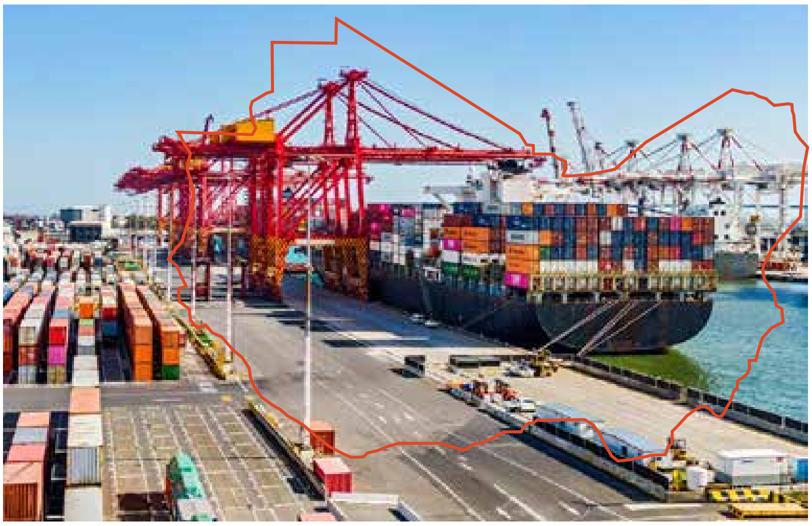
1. Raising fresh equity through private placements, rights issues, or public offerings.
2. Pursuing mergers and acquisitions (M&A).
3. Upgrading or downgrading license authorisation.

Banks are required to achieve full compliance within a firm 24-month timeline, ending on March 31, 2026, while adhering to the capital adequacy ratio (CAR) requirements applicable to their license category.

Despite the economic challenges, the Nigerian banking sector demonstrated resilience and sustained growth, expanding by approximately 31% and contributing 5.78% to Nigeria's aggregate GDP in real terms in 2024. The sector's stability was further reflected in a steady Capital Adequacy Ratio (CAR) of 14% and a robust liquidity ratio of 56.2%, significantly exceeding the regulatory minimum of 30%. Meanwhile, non-performing loans (NPLs), a key indicator of credit risk, stood at 4.8%.

## Banking Business - Regional Operating Environment

### West Africa (Ex-Nigeria)



Despite economic challenges and uncertainties, the banking sector in West Africa continued to expand in 2024, driven by strong growth in digital banking. The increasing adoption of internet banking, mobile banking, POS, and ATM services has played a key role in meeting rising demand and advancing financial inclusion across the region.

While credit risk and non-performing loans remain persistent concerns, the overall health of the banking sector remains stable with strong balance sheet growth driven by asset expansion, increased deposit, and strategic investments. In Ghana, mobile money penetration improved significantly, bolstered by enhanced customer confidence following a debt restructuring program. Meanwhile, the banking sectors in Ivory Coast and Gambia have been characterized by ongoing digital transformation and growth in banking assets.

In Ghana, total banking assets grew by 33.8% to GHS367.8 billion in December 2024, outpacing the 29.7% growth recorded in 2023. Investment growth moderated, with investment securities rising by 12.9% to GHS113.1 billion, compared to the 47.5% growth in 2023. Deposits remained the primary funding source, increasing by 28.8% to GHS276.2 billion from 2023. Shareholders' funds improved by 36.6% to GHS39.9 billion, supported by a rebound in profitability and recapitalization efforts.

The Gambian banking sector expanded, with total assets growing by 18.3% to D100.3 billion, while customer deposits rose by 13.1% to D66.4 billion. Côte d'Ivoire dominated the WAEMU banking sector, with total banking assets reaching XOF25 trillion as of December 2024, representing a 33.7% share of the WAEMU market. The number of bank accounts in Côte d'Ivoire surpassed 8 million in December 2024, up from 3 million in 2017. Liberia's total gross loans increased by 4.26% to L$103.01 billion (US$560 million), with total industry deposits rising by 9% to L$216.90 billion (US$1.18 billion), largely due to higher net remittances and investments in the mining and telecommunications sectors.

Despite these improvements, asset quality remains a concern. The Ghanaian industry's non-performing loan (NPL) ratio stood at 21.8% in December 2024, slightly down from 22.7% in 2023, reflecting ongoing credit risks. The capital adequacy ratio (CAR), adjusted for regulatory reliefs, stood at 14.0%, above the 10% minimum but slightly lower than the 14.3% recorded in December 2023. In order to encourage lending to the private sector, Ghana's central bank introduced new cash reserve ratio (CRR) requirements in April 2024, setting them at 15% for banks with a loan-to-deposit ratio (LTD) above 55%, 20% for LTD between 40%-55%, and 25% for LTD below 40%.

Gambia's banking sector saw its risk-weighted CAR rise to 28.5% in December 2024 from 24.9% in 2023, driven mainly by earnings accretion. However, liquidity levels moderated slightly to 76.1% from 81.8% in 2023, though they remained strong enough to cover short-term obligations. The NPL ratio improved marginally to 14.6% in December 2024, down from 15.8% the previous year. Côte d'Ivoire's banking industry maintained robust liquidity, with its liquidity ratio rising to 52.26% in 2024 from 44.1% in 2023, well above the 15% regulatory minimum. The country's CAR also strengthened, increasing to 33.8% in 2024 from 27.31% in 2023.

Overall, the West African banking sector successfully navigated the challenges of 2024 through strategic initiatives and policy measures, resulting in improved financial performance, stronger capital buffers, and sustained liquidity. However, ongoing concerns about asset quality and credit risk require continued vigilance and policy interventions to ensure long-term stability.

### East Africa

Amid economic challenges, East Africa's banking sector demonstrated resilience and innovation in 2024, with Kenya leading the region in mobile money transactions. Uganda and Tanzania also recorded notable growth in digital banking adoption, supported by rising mobile money penetration.

With increased reliance on technology, the region made significant strides in financial inclusion, as more than 70% of the population gained access to financial services. While high inflation rates present risks to asset quality, the anticipated decline in inflation in 2025 is expected to enhance the stability of banking sector balance sheets.

In Rwanda, the inflation rate continued to decrease while the foreign exchange rate remained steady around 3,600. The banking sector demonstrated strong capital adequacy at 20.5% and maintained liquidity levels above regulatory standards. Additionally, Rwanda introduced a new fintech license passporting framework in collaboration with Ghana.

The Tanzanian shilling depreciated in foreign exchange markets. Deposits increased significantly by 71.1%, reaching TZS61,915.9 billion through agent banking. New guidelines were established, focusing on ESG compliance, sustainable investments, and green bonds.

Kenya's foreign exchange market saw the introduction of the Kenyan Foreign Exchange Code, aimed at encouraging transparency and stability. Interest rates decreased from 12.5% to 10.8%. Proposed measures included a harmonized benchmark rate, increased licensing fees, and revised core capital requirements. However, credit risks rose due to delayed government payments affecting the construction and agriculture sectors.

In Uganda, interest rates remained stable at 9.8%, with an inflation rate around 3%. Treasury bills were repriced higher, but non-performing loans increased due to delayed government payments impacting public contract-based sectors. Uganda's Parliament introduced mortgage refinancing for affordable housing loans and approved significant loans for Uganda Development Bank and Umeme Limited buyout.

## The Post-Inflation Era: Central Banks' Next Moves and Implications for Emerging Markets

Following years of sustained interest rate hikes aimed at curbing inflation, central banks worldwide are expected to recalibrate their monetary policies to strike a balance between price stability and economic growth. In emerging markets, where inflation has been driven by currency depreciation, supply chain disruptions, and volatile commodity prices, the next phase of monetary policy will be particularly critical. While some central banks may consider lowering interest rates to stimulate economic activity, others are likely to adopt a more cautious stance, carefully managing the risks of inflation resurgence and external debt obligations.

Amid high borrowing costs and currency fluctuations, businesses are expected to reassess their financial strategies. While alternative financing options—such as private equity and fintech-driven lending—play an increasingly vital role, traditional credit may become more accessible as inflationary pressures subside. Export-oriented industries stand to benefit from weaker local currencies, which enhance the global competitiveness of domestically produced goods. Conversely, businesses reliant on imports will have to implement robust foreign exchange risk management strategies to navigate ongoing currency volatility.

In order to foster long-term economic resilience, emerging markets will have to accelerate diversification beyond commodity dependence and prioritise investments in high-growth sectors such as technology, manufacturing, and financial services. Structural reforms aimed at enhancing the ease of doing business and promoting financial inclusion will be essential in driving sustainable growth. Businesses that remain agile, proactive, and strategically adaptive will be better positioned for long-term success.

## Non-Banking Businesses Operating Environment

Following a prolonged period of monetary tightening, global central banks are expected to recalibrate their policies to balance inflation control with economic growth. This shift will have significant implications for asset managers and pension fund administrators, particularly in emerging markets where inflation has been influenced by currency depreciation, supply chain disruptions, and volatile commodity prices. The next phase of monetary policy will be crucial in shaping investment strategies, as interest rate adjustments impact asset valuations, capital flows, and overall portfolio performance.

As inflationary pressures gradually subside, fixed-income securities may regain investor confidence, presenting opportunities for portfolio diversification and yield optimization. Meanwhile, alternative asset classes—including private equity, infrastructure investments, and real estate—are likely to attract increased allocations as investors seek long-term value creation. For pension fund administrators, a dynamic investment approach will be essential to navigating interest rate fluctuations while ensuring sustainable retirement benefits for contributors.

The evolving macroeconomic landscape underscores the importance of prudent risk management and a long-term investment horizon. Emerging markets will need to accelerate diversification efforts beyond commodity dependence and focus on high-growth sectors such as technology, renewable energy, and financial services. Additionally, structural reforms aimed at enhancing capital market efficiency and expanding financial inclusion will be critical in fostering a resilient investment environment.

Asset managers and pension fund administrators that leverage data-driven insights, integrate sustainable investment principles, and proactively adapt to market shifts will be better positioned to generate consistent returns and safeguard long-term financial security for their clients and beneficiaries.

## Leveraging AI and Fintech Innovations: Automation as a Competitive Edge

Advancements in artificial intelligence (AI) and financial technology (fintech) are transforming industries globally, driving financial inclusion, enhancing operational efficiency, and boosting productivity. Financial institutions are increasingly leveraging AI-powered solutions—such as automated credit scoring and intelligent chatbots—to optimise operations and elevate customer experiences. In addition, mobile money platforms, digital lending solutions, and blockchain technology are expanding access to financial services.

However, AI adoption across Africa remains uneven. While some economies are rapidly integrating AI into banking, healthcare, and logistics, others face significant challenges due to infrastructure gaps and a shortage of digital skills. Leading Africa's AI-driven fintech revolution are countries like Nigeria, Kenya, and South Africa, where innovations in automated lending, fraud detection, and AI-powered customer service are reshaping financial services. Despite these advancements, high implementation costs, inadequate regulatory frameworks, and data privacy concerns continue to hinder widespread AI adoption in Africa.

For African businesses, embracing AI presents a pathway to greater efficiency, cost reduction, and enhanced customer engagement. Generative AI is revolutionizing service delivery by enabling hyper-personalized interactions at scale. However, sustained success in AI deployment requires investing in digital infrastructure, fostering local talent, and establishing a supportive regulatory environment. Governments are required to implement policies that promote responsible AI development, safeguard data privacy, and advance digital literacy. In addition, collaboration between businesses, academic institutions, and technology hubs will be crucial in bridging the skills gap, while public-private partnerships can accelerate the development of AI-ready infrastructure.

As automation continues to evolve, businesses that integrate AI strategically—while maintaining a human-centric approach—will gain a competitive edge in Africa's expanding digital economy. The challenge lies in ensuring that automation fosters job creation rather than displacement, emphasizing workforce reskilling and transformation to drive sustainable economic growth.

## The Future of Work: Unlocking the Potential of Africa's Youthful Population

Africa is home to the world's youngest and fastest-growing workforce, offering a significant demographic advantage that, if strategically harnessed, could drive economic transformation. With over 60% of its population under the age of 25, the continent has immense potential to emerge as a global leader in technology, entrepreneurship, and innovation. However, challenges such as high unemployment rates, skills mismatches, and limited access to quality education threaten to undermine this potential. Bridging the skills gap through vocational training, digital literacy initiatives, and entrepreneurial support is essential to unlocking Africa's workforce capabilities.

The rapid evolution of digital collaboration tools and the expansion of global freelancing platforms have created new opportunities for African talent to participate in the international job markets. Professionals that are skilled in software development, digital marketing, data analytics, and customer service are increasingly securing remote roles across multiple time zones. Sectors such as fintech, e-commerce, and the creative industries are already benefiting from this shift, with young entrepreneurs driving innovations in digital payments, content creation, and mobile-first solutions. Organisations that prioritise continuous learning and workforce development will be best positioned to capitalise on this demographic dividend.

In order to fully leverage these opportunities, African youth must acquire in-demand digital skills, develop strong online portfolios, and maintain a professional presence on global employment platforms. Reliable internet access, proficiency in remote work tools, and familiarity with international work cultures are also critical success factors. Public-private partnerships in education, apprenticeship programs, and investments in digital infrastructure will further empower Africa's young workforce. In addition, African governments must play a central role in fostering policies that support job creation, entrepreneurship, and access to capital for start-ups.

As automation and AI continue to reshape the global job landscape, Africa's greatest asset lies in its ability to cultivate a future-ready workforce—one that is skilled, adaptable, and competitive on an international scale in 2025 and beyond.

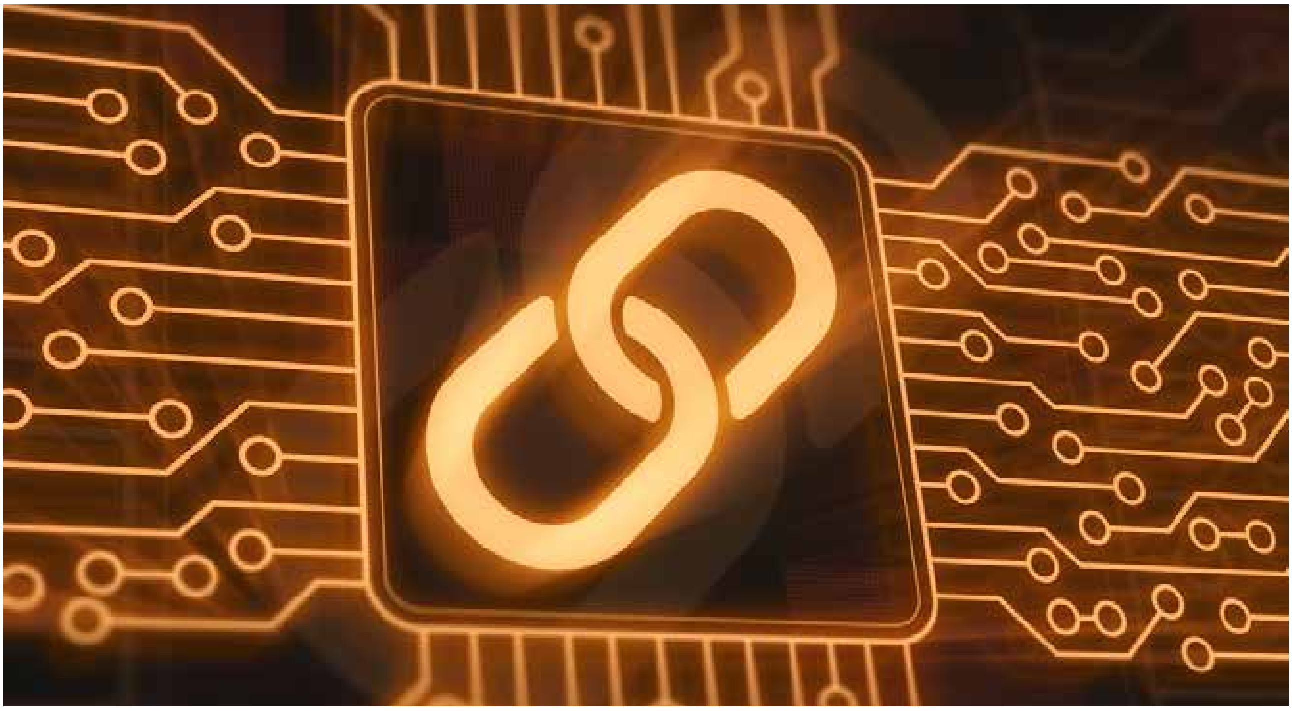
## Digital Technology

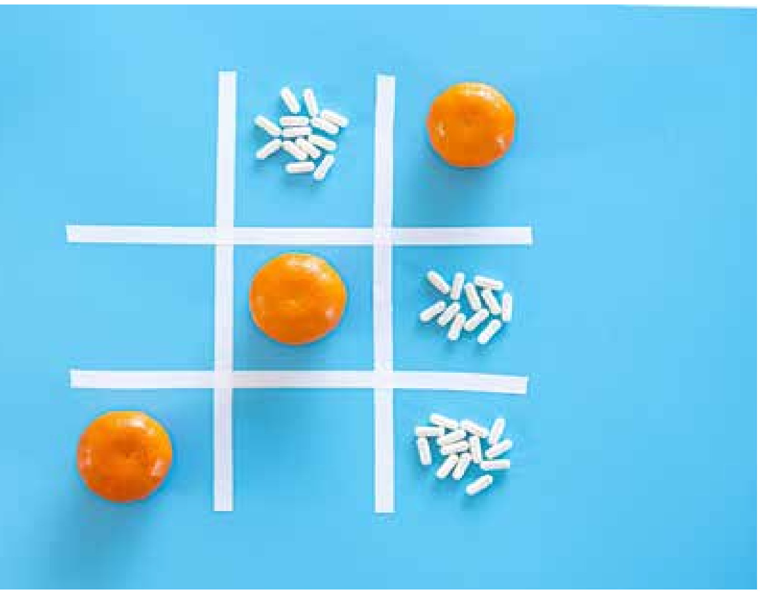
The technological transformation in finance has redefined how financial institutions engage with customers, accelerating innovation in banking and driving the development of new products to enhance efficiency. The automation of banking processes has significantly improved customer experience, offering a more seamless and flexible approach to service delivery.

In 2024, GTBank Nigeria upgraded to an advanced core banking system to enhance its technology infrastructure. The enhanced system enables the bank to efficiently manage growing transaction volumes, introduce new products, and accommodate an expanding customer base. With the rise of AI, implementing additional security measures has become essential to mitigate cyber threats and ensure uninterrupted service. The upgrade of the core banking system will also be undertaken in across the banking subsidiaries over the course of 2025.

## Cyber Threats

Cybersecurity has become the foremost line of defence against an ever-evolving digital threat landscape. With billions in stakeholder funds and vast amounts of sensitive information at risk, financial institutions have become prime targets for cybercriminals seeking to disrupt operations and exploit confidential data. Consequently, financial institutions and payment companies are required to continuously adapt and innovate to stay ahead of cyber threats, ensuring robust security measures that safeguard their systems and stakeholders.





# Corporate Strategy

## Phase 1: Beyond Banking

Following our successful corporate reorganisation in 2021, the first phase of GTCO Plc's strategic plan focused on revenue diversification with the creation of new non-banking income lines, which was achieved through organic expansion and acquisitions into complementary financial services business areas, specifically Funds Management, Pensions Fund Administration and Payments Technology.

## Phase 2: Positioning for Transformational Growth

In the second phase of our strategic plan, our objective is to deepen our growth and expansion within and outside Nigeria:

With our banking businesses, we intend to organically expand our banking business segment through the following activities:

1. Strengthen the capital base of GTBank Nigeria in order to meet regulatory requirements and provide support for the Bank's growth trajectory and overall long-term strategy by boosting lending capacity and competitive positioning, with a particular focus on Retail, SME and Institutional segments.
2. Extract additional value from our ex-Nigeria Banking Subsidiaries by deepening market penetration in the respective host economies.
3. Expand into new markets within Sub-Saharan Africa.
4. Enhancing operational efficiency by implementing strategic cost optimisation measures

With our Non-Banking businesses, we seek to:

1. Complement our expansion strategy with selective bolt-on acquisitions and capitalise on new adjacent market opportunities to continue our steady extension of the "GTCO" brand across financial services.
2. Swiftly integrate such acquisitions into our network while utilising our expertise, skills and infrastructure to transfer best practices, optimise costs and deliver attractive returns on capital to shareholders.
3. Continue leveraging the Group's synergies through the cross-selling of complementary products and services and harnessing efficiencies of scale across our businesses.

## Leading with Technology

We believe the future of financial services is digital, seamless, and personal. That's why we take a digital-first approach, continuously making investments in technology to enhance customer experiences and drive operational efficiency across all our businesses.

In line with phase two of our strategy, our commitment to innovation led us to transition to a more robust core banking application—an essential step in strengthening our banking operations. With this transition, we are enhancing operational efficiency, improving transaction processing speeds, and reinforcing security frameworks to offer an even more seamless and secure banking experience for our customers.

By integrating data driven insights and personalized services, we continue to refine our digital offerings, ensuring a seamless, secure, and rewarding experience across all touchpoints.

Looking forward, we will continue to make significant investments in technology in order to improve our customer experiences across all our businesses. Some of these investments include:

- The expansion and enhancement of our redesigned GTWorld mobile app to further improve customer experience and cross-sell and expanded range of financial services products.
- The identification and integration of new technologies to remain relevant across all verticals and markets, some of which include artificial intelligence, biometrics, machine learning and data analytics.

# Creating Value Through CSR

At GTCO, our journey to progress is an unending one, where success is determined not only by the value we create through the businesses that make up our robust financial services ecosystem but by the lives we touch, the people we empower and how we uplift society towards a better and brighter future.

From our earliest days, Guaranty Trust has always been about enriching lives. We strongly believe that a truly successful business is one that grows with its communities, empowers its people, and creates better outcomes for everyone.

Over the years, our impact has expanded across four core pillars—Education, Community Development, Environment, and the Arts—each reflecting a firm belief that businesses exist not just to create value for shareholders, but to enrich the lives of the people they serve. Through these pillars, we remain committed to shaping a world where knowledge empowers, communities thrive, the environment is nurtured, and creativity flourishes.

We work hard to create sustainable value. But more than anything, CSR is our heart. It beats in every initiative, every investment, and every decision to make a difference in the communities where we operate.


## EDUCATION

# Unlocking potential, **one mind at a time**

Education is not only the single most important factor for an individual's empowerment, it is crucial for societal development and progress. At GTCO, we are committed to championing education for all, irrespective of background, race, or economic status. We fund programmes that increase access to quality education, support campaigns that boost learning opportunities, and create initiatives that encourage young people to stay in school.

Our YouRead Initiative was born out of the understanding that literacy is not just about reading books—it is about unlocking potential, curiosity, and opportunity. Through book donations, interactive reading sessions, and school outreach programs, we have provided thousands of children with access to books and storytelling experiences that ignite their imaginations. Each year, we take it a step further by celebrating World Book Day in a way that truly brings stories to life. At our most recent event, we celebrated Nigeria's rich literary culture by hosting a book reading featuring award-winning author Jude Idada. Attendees were thrilled to receive signed copies of Boom Boom, a moving story that sheds light on family, resilience, and sacrifice. It was a powerful reminder of the role stories play in shaping young minds and preserving our cultural heritage.

Just like a good book can open minds to new possibilities, financial literacy can unlock a future of security and independence. That is why we go beyond the classroom, actively engaging young people during Global Money Week and World Savings Day. Whether through engaging workshops in schools or interactive sessions led by our team of passionate staff volunteers, we are equipping the next generation with the tools they need to build a brighter financial future.

But education today extends beyond writings and financial information. In a rapidly evolving world, technology is the new literacy, and equipping young people with digital skills is no longer optional—it is essential. That is why we launched the Take-On Squad Hackathon, a platform designed to nurture some of the brightest young tech talents in Nigeria. At our state-of-the-art training facility, Tayo's Plaza, students from across the country came together, coding their way to innovation, tackling real-world problems, and proving that Africa's future in technology is limitless. The winners didn't just walk away with exciting prizes; they gained entry into our Squad Hackademy, where they receive mentorship, internships, and job opportunities—real tools to build the future.

True education is about more than just learning—it is about having the power to shape the world.

## COMMUNITY DEVELOPMENT

# Strengthening the bonds that hold us **together**

### The power of sports to inspire, unite, and empower

Communities are not just places; they are people, stories, shared experiences, and traditions passed from one generation to the next. At GTCO, we are committed to nurturing these connections by creating platforms that bring people together, celebrate heritage, and provide opportunities for all.

Few events embody this spirit as much as the NPA Lagos International Polo Tournament, which marked a milestone this year—120 years of polo in Nigeria. Polo is more than a sport; it is a tradition, a testament to teamwork, skill, and excellence. The showpiece event was a thrilling display of sportsmanship, discipline, and flawless execution, culminating in a breathtaking final match where Leighton Kings retained the prestigious Majekodunmi Cup. By supporting this historic tournament, we are not just celebrating a sport; we are bringing people together, preserving culture, and creating Great Experiences.

For many young people, sports are more than just games—they are a lifeline. A path to discipline, confidence, and self-belief. Over the years, our sports education program has served as a platform for identifying, nurturing and grooming young talents. Through our continued sponsorship of our grassroot sporting events, we aim to actively engage young people whilst promoting the values of excellence and fair play. Our support for the Principals Cup tournament in Lagos and Ogun States, the Masters Cup tournament, and the Super Cup competitions has elevated these platforms into thriving arenas where young talents are discovered, dreams are nurtured, and communities are united through the passion of football. Because sometimes, all it takes to change a life is a ball, a goal, and a chance to play.

### Promoting Enterprise

The spirit of community is also what drives our flagship consumer-focused events—the GTCO Food and Drink Festival and the GTCO Fashion Weekend. These events, considered the biggest retail exhibitions in Africa, are about more than food and fashion; they are about giving small businesses the opportunity to scale, reach new markets, and thrive. The GTCO Food and Drink Festival and the GTCO Fashion Weekend are evolving platforms designed to spotlight Africa's rich culinary and fashion heritage while providing small businesses with unparalleled access to new markets and opportunities. Every chef who finds a new audience, every designer who makes their runway debut, and every entrepreneur who connects with customers is a testament to the transformative power of enterprise. This year, the Food and Drink Festival was a feast for the senses, bringing together food lovers, entrepreneurs, and industry experts to celebrate the vibrant flavors of Africa. In the same spirit of creativity and enterprise, the GTCO Fashion Weekend took center stage as a showcase of innovation and entrepreneurial excellence. With world-class runway shows, insightful masterclasses, and a bustling retail experience, the event reinforced our commitment to supporting the growth of the African fashion industry and positioning it on the global stage.

Whether it's a small food vendor reaching new customers or a fashion designer making their runway debut, we're here to make sure great talent gets the right support and opportunities to grow.


## THE ORANGE RIBBON INITIATIVE

# Every child deserves a chance to **thrive**

The Orange Ribbon Initiative is borne out of our desire to raise awareness to critical social issues and draw attention to people and organisations making a difference in the lives of the most vulnerable in society including women and children with special needs and developmental abilities.

### GTCO Autism Program

Every parent welcomes the birth of a child with boundless hope. They celebrate every little moment—the first smile, the first word, the first step. Each milestone is a promise of the future, a glimpse into the limitless potential of a young life. But for families of children with autism spectrum disorder (ASD), these milestones may come differently, or not at all, and the journey to adulthood often takes an unfamiliar and, at times, isolating path.

For many children with ASD, social interaction and communication do not come naturally. A simple conversation can be overwhelming, a crowded place can feel unbearable, and even a loving hug may not bring comfort. Parents, siblings, and caregivers find themselves in a world they never prepared for—one filled with questions, uncertainties, and often, a heartbreaking lack of understanding from society. In many communities, stigma and misinformation make things even harder. A child struggling to communicate is labeled "difficult." A parent seeking help is met with judgment instead of support. A family trying to navigate their new reality is left feeling alone. But they don't have to be.

At GTCO, we believe that understanding is the first step toward inclusion. Through our annual Autism Program, we are not just raising awareness—we are taking action. We provide free one-on-one consultations with medical experts, therapists, and specialists to help families get the support they need. We bring together educators, health professionals, and advocates to share knowledge, exchange ideas, and explore solutions that empower children on the spectrum to live full and meaningful lives. We are not just talking about autism; we are working to change how it is understood, how it is treated, and how children and adults with ASD are embraced by society.

The 2024 Autism Conference, themed A Spectrum of Possibilities, brought together experts, families, and individuals living with ASD to share knowledge, exchange ideas, and explore solutions that foster inclusivity. Through free one-on-one clinics held across Nigeria and Ghana, we extended critical support services to children and adults on the autism spectrum, reinforcing our belief that every individual deserves the opportunity to reach their full potential.

The journey for families living with autism may not be easy, but they do not have to walk it alone. With every act of support—every free consultation, every shared story, every community that chooses understanding over exclusion—we make the world a little kinder, a little fairer, and a lot more inclusive.

Because every child, no matter how they experience the world, deserves the chance to thrive.

brushstroke, every sculpture, every photograph, and every melody, Africa tells a story that deserves to be heard. And through our continued support for the arts, GTCO ensures that these stories are not only told but celebrated on the grandest stages.

## Christmas at Massey Street: Bringing Light to Little Hearts

Christmas is a time of joy, warmth, and togetherness, yet for many children battling illness, it can be just another day spent in hospital beds, far from the laughter and excitement that fills the season. But every year, at Massey Street Children's Hospital in Lagos, something special happens. To ring in the holidays and spread cheer, our employees step away from their desks and into the wards of the hospital, carrying gifts, laughter, and the simple but powerful gift of time. There are no formalities, just moments of pure connection—storytelling, games, shared smiles, and a reminder that these children are not alone.

But the magic of Massey Street is not limited to a single day. Throughout the year, our employees champion causes that deepen the impact of our CSR initiatives, volunteering their time, resources, and expertise to ensure that giving back is not just a corporate activity, but a deeply personal commitment. Because in the end, what truly matters is not what we give, but how we make people feel—seen, supported, and valued.

Massey Street is not just any hospital—it is a place steeped in history, a sanctuary of care that has nurtured thousands of children since 1914. It was Lagos' first outpatient clinic, its first maternity hospital, and later, the first-ever children's hospital in the city. Over a century later, it continues to stand as a beacon of hope for countless families. And at GTCO, we have made it our tradition to bring Christmas to Massey Street.

## A Global Commitment to Enriching Lives: Partnering with the Swiss Red Cross

Our commitment to enriching lives and offering better outcomes goes beyond geographical borders. The reason is simple—compassion knows no boundaries. Our partnership with the Swiss Red Cross, one of the world's most credible humanitarian organizations, is an extension of our belief that no one should be left behind. With a long-standing reputation for providing life-saving aid, healthcare, and support to vulnerable groups worldwide, particularly young mothers and children in underserved communities, The Swiss Red Cross ranks amongst the world's leading humanitarian organizations.

By supporting the annual Swiss Red Cross Charity Gala, we are contributing to a mission that aligns with our core values—helping those in need, regardless of where they may be. Whether in Africa or beyond, our commitment remains the same: uplifting humanity in every way we can.


## THE ENVIRONMENT

# A sustainable future **for all**

### Waste for Gas Project

We recognize that the well-being of our communities is deeply connected to the health of our planet. This understanding drives our commitment to environmental sustainability, through impactful initiatives that create lasting value. One such initiative, the Waste for Gas Project, is designed to drive environmental sustainability while improving the lives of underserved women and households. At its core, the Waste-for-Gas initiative is about turning everyday waste into a source of empowerment. Across communities, waste management is a pressing challenge, and we saw an opportunity to convert waste into cooking gas, providing cleaner energy alternatives to households.

The initiative, launched in Obafemi Owode Local Government, Mowe, Ogun State, enabled 3,000 low-income households to transition to safer and more efficient cooking methods. Beneficiaries received 3kg gas cylinders with burners in exchange for collected plastic waste, reinforcing environmental responsibility and economic empowerment. But this initiative is about more than just energy—it is about improving the quality of life, reducing health hazards from traditional fuel sources, and empowering women, who are often the primary users of household energy.

The structured waste-for-gas exchange program incentivized proper waste disposal, creating cleaner neighborhoods while instilling a culture of responsible environmental management. By introducing a system where waste is exchanged for gas, we are creating a cycle of sustainability that uplifts communities, promotes responsible waste disposal, and provides financial relief to families. It is a simple idea with a profound impact—one that underscores our belief that a healthier planet means a better future for all.

## THE ARTS

# A canvas for **creativity and expression**

### Celebrating Africa's creative talents on the grandest stages

Creativity is the heartbeat of human expression, and through our unwavering support for the arts, music, and literature, we provide platforms where imagination can flourish, stories can be told, and cultures can thrive. At GTCO, we believe that art is more than just a visual or auditory experience—it is a powerful tool for shaping perspectives, preserving heritage, and inspiring change. That is why we have remained committed to elevating African creativity to global heights, ensuring that the world sees, hears, and appreciates the depth of talent that exists within our continent.

Through partnerships with esteemed institutions like the Tate Foundation and the Goethe Institut we help spotlight African artists on some of the most prestigious global stages, ensuring that their voices and visions resonate beyond borders. Our dedication to nurturing homegrown talent also led to the creation of ART635, an innovative online gallery designed to bridge the gap between African artists and art enthusiasts. By giving these artists a space to showcase their work, ART635 not only boosts awareness around African arts and culture but also creates opportunities for emerging creatives to gain recognition and earn a living from their craft.

Beyond supporting platforms, we celebrate individual brilliance, championing the work of renowned artists like Yinka Shonibare, whose thought-provoking piece, Nelson's Ship in a Bottle on The Fourth Plinth in Trafalgar Square, stands as a symbol of African ingenuity in the heart of London.

Our investment in the arts is a statement of belief in the transformative power of creativity—not just for artists themselves and for art lovers but for entire communities. It is about keeping the past alive through storytelling, shaping the present through dialogue, and inspiring the future by giving young artists the confidence to dream boundlessly. With every brushstroke, every sculpture, every photograph, and every melody, Africa tells a story that deserves to be heard. And through our continued support for the arts, GTCO ensures that these stories are not only told but celebrated on the grandest stages.

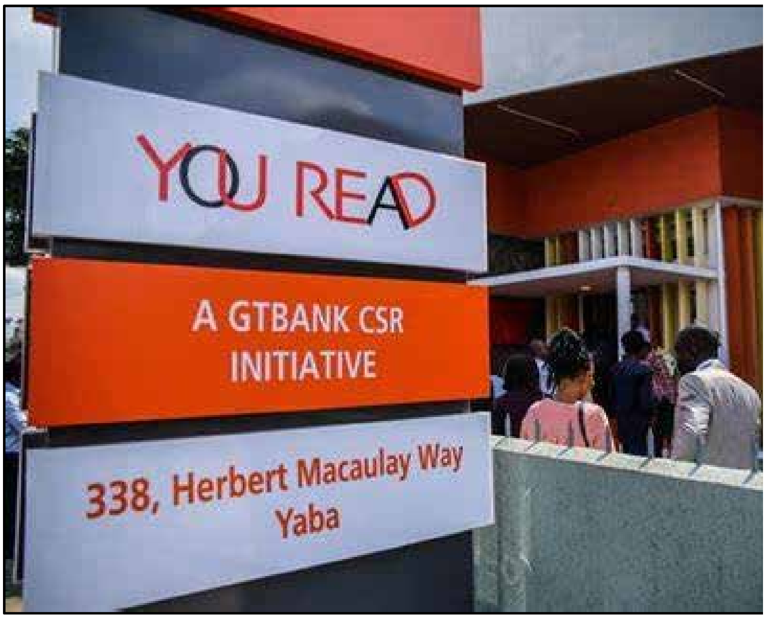
# From our **CSR Archives**

For us at GTCO, we demonstrate that CSR is our heart with every project, every campaign, and every initiative we undertake. Our CSR efforts are more than momentary gestures—they are legacies of hope, resilience, and progress. This is who we are. This is who we will always be. An institution that grows by giving back.

## 2018

### Creating Change, Inspiring Hope: Harnessing the Power of Collective Action

In 2018, we launched a nationwide campaign, tagged "#SimpleChangeBigImpact," through which we collaborated with individuals and groups to invest in the social infrastructure of twenty communities across Nigeria. Members of the community were challenged to think about simple changes they could make in their immediate community that will positively impact people. We received many ingenious ideas and working with the originators of these ideas, we brought twenty of these simple change ideas to life. Some of the projects include providing sustainable sources of clean water to communities where drinking water was not available, providing shoes for children using recyclable materials, providing employment to disadvantaged members of the community, supporting pregnant women in IDP Camps and developing a USSD application that allows members of the community book hospital appointments in a timely manner. every way we can.



# 2019

## Beating the Distance: Bridging the Gap Between Dreams and Reality

Every child has the right to an education, but for millions of children in rural Nigeria, the path to learning is not paved with books and opportunities—it is a grueling, 10-kilometre journey on foot, every single day. Before the sun rises, these children wake up to fetch water, gather firewood, and complete household chores before setting off on a trek that leaves them exhausted long before they reach the classroom.

By the time they arrive, the lessons have already begun. By the time they return home, the day is nearly over. And for many, the burden becomes too much to bear. Attendance drops, performance suffers, and the cycle of poverty tightens its grip.

This is why, in 2019, we launched #BeatTheDistance—a simple yet profound initiative designed to change the trajectory of young lives through the gift of mobility. By providing bicycles to children in rural communities, we empowered them to reach school faster, stay engaged in their studies, and, most importantly, dream beyond the limitations of their circumstances.

From the hills of Enugu to the dusty paths of Taraba, the impact has been immediate and transformative. Children who once struggled to attend school now arrive on time, alert and ready to learn. The weight of exhaustion has been lifted, replaced by the exhilarating freedom of possibility.

Because education should not be a privilege determined by distance. And every time we hand over a bicycle, we are not just giving a child a means of transport. We are giving them a chance to outrun poverty.

# 2020

## Safeguarding Lives and Livelihoods: The Fight Against COVID-19

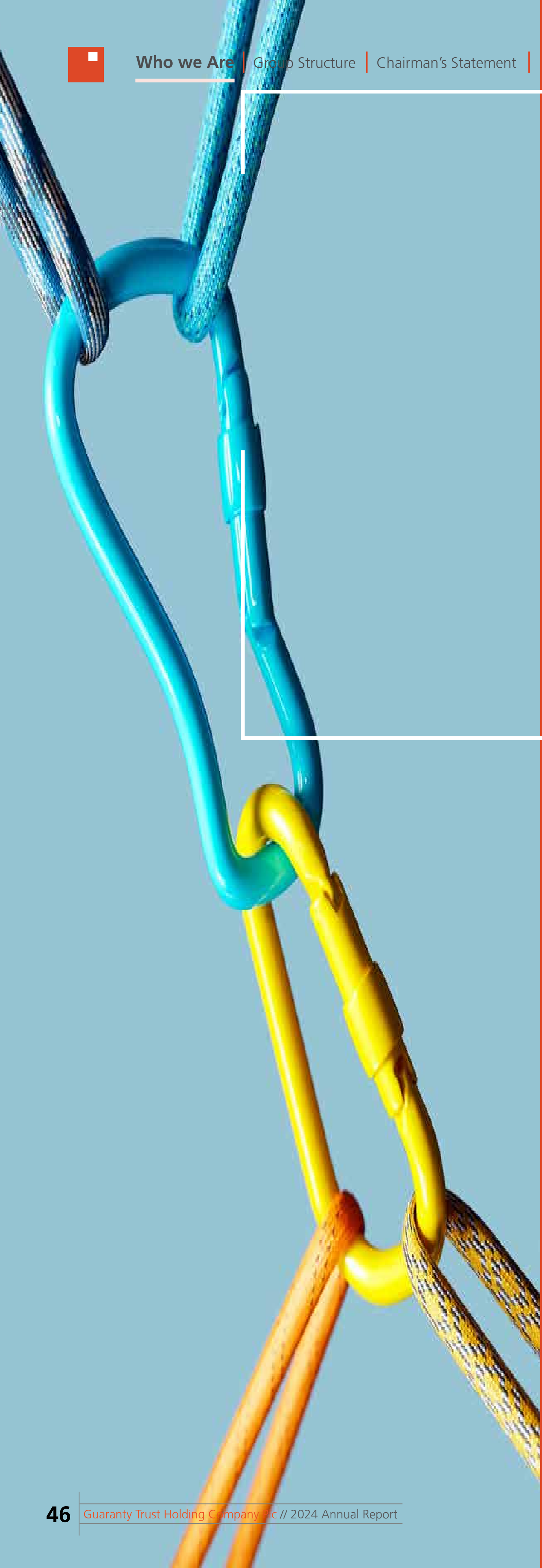
When the world was brought to a standstill by COVID-19, it was more than a health crisis. It was a test of leadership, resilience, and responsibility. And at GTCO, we knew that doing nothing was not an option.

The pandemic threatened not just lives, but livelihoods, stability, and the very fabric of our society. As hospitals struggled under immense pressure, we acted swiftly, partnering with the government to build a fully equipped, 110-bed medical facility in just five days. What started as an idea became a rallying point, drawing support from businesses across industries—a collective effort to protect our people when they needed us the most.

Beyond the medical centre, our commitment continued. We donated 1 billion to Nigeria's national COVID-19 response and played a leading role in CACOVID, the Private Sector Coalition against COVID-19. Together, we ensured that medical facilities were equipped, frontline workers were supported, and essential relief reached those most affected.

But caring for the community also meant protecting our own people. From the onset of the pandemic, we reimagined our operations—introducing dynamic work schedules, redesigning workspaces, and ensuring that our employees could work safely without compromising service delivery. We knew that in a time of fear and uncertainty, our customers needed us more than ever.

Through it all, our mission remained the same: to put lives first. Because at GTCO, we don't just talk about enriching lives. We act on it.



04

# Our Stakeholders

- Customers
- Our People
- Investors
- Community

CUSTOMERS
OUR PEOPLE
INVESTORS
COMMUNITY

# A Foundation Built on Trust

As a financial services group, we are committed to fostering economic growth and financial stability across the regions we operate. We recognize that trust is both earned and nurtured through consistent action. Every day, we strive to exceed expectations by meeting the evolving needs of our stakeholders while contributing to sustainable development.

Our strong financial position enables us to fulfill our commitments even in challenging times, ensuring that we remain a dependable partner in progress. It is our belief that by working together, we create lasting impact that strengthens businesses, transforms communities, and shapes a future where everyone has the opportunity to succeed.

## Customers

### Delivering Great Customer Experiences

Our customers are at the heart of everything we do. We are passionate about delivering exceptional service, making access to financial services not just easier but truly rewarding. With innovative technology at the core of our solutions, we create seamless, intuitive experiences that fit effortlessly into our customers' lives—whether they are individuals, entrepreneurs, or large businesses. Every interaction is designed to be smooth, efficient, and tailored to their needs.

But great service is not just about speed and convenience—it is about trust. We know that trust is earned, not given, which is why we hold ourselves to the highest standards of integrity, transparency, and accountability. When we make a commitment, we keep it. When our customers need us, we show up with real solutions. And as the world evolves, we keep innovating, ensuring that we remain their most reliable financial partner.

OUR PEOPLE


# Our People

## Building TOGETHER

Our people drive our success in serving customers and communities across our operating countries – helping us adapt and thrive in a fast-changing world. It is through our people culture — demonstrated by a strong customer focus, curiosity, courage and excellence — drawing on a broad array of our employees' backgrounds and experiences — that we are able to consistently deliver for our stakeholders.

We aspire to have the best talent in the marketplace and to foster a work environment in which all our people are supported, feel like they belong and are able to make an impact through their work. Our approach to a positive work environment and our competitive pay and benefits package are important components of our people strategy.

Together, they help showcase how we value our employees through our investment in experiences across the employee life-cycle, including attracting and retaining the best talent; investing in employee development; fostering employee engagement and satisfaction; and supporting and rewarding our people across the Group.

| Worforce by Region | 2023 | 2024 | |
|---|---|---|---|
| Nigeria | 3,798 | 3,928 | +3.4% |
| West Africa | 1,263 | 1,496 | +18.4% |
| East Africa | 414 | 446 | +7.7% |
| United Kingdom | 106 | 114 | +7.5% |
| **Total** | **5,581** | **5,984** | **+7.2%** |

| | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|
| **Group Gender Balance** | **Male** | **Female** | **Ratio (M/F)** | **Male** | **Female** | **Ratio (M/F)** |
| Board of Directors | 11 | 12 | 48:52 | 12 | 12 | 50:50 |
| Executive Leadership | 5 | 3 | 62:38 | 5 | 3 | 62:38 |
| Total Workforce | 2,962 | 2,619 | 53:47 | 3,060 | 2,924 | 51:49 |

| Group Average Age | 2023 | 2024 |
|---|---|---|
| Total Workforce | 33 | 33 |

INVESTORS


# Investors

## Driving Long-Term Shareholder Value

The Company's Shares are listed on the Official List of the Nigerian Exchange Limited (NGX) and admitted to trading on the NGX Main Board under the symbol "GTCO", and its Global Depositary Receipts (GDRs) are listed on the Official List of the Financial Conduct Authority and admitted to trading on the Main Market for listed securities of the London Stock Exchange under the symbol "GTCO".

The Company maintains a broad and diverse shareholder base of over 460,000 individual and institutional Nigerian and international investors, and has consistently outperformed its peers in terms of key profitability indicators and other financial metrics. We expect to maintain our track record of financial performance and delivery of long-term shareholder value.


# Community

## Rooted in Community

We are a trusted partner deeply connected to the communities we serve. For us, success is not just measured by financial performance but by the positive change we inspire. Guided by our core values of integrity, excellence, and innovation, we are committed to creating opportunities for individuals and businesses alike. We bring this commitment to life through our social impact programs, which span education, community development, environment, and the arts.

By staying true to our core values and embracing our role as a force for good, we strengthen the fabric of our communities; building trust, enriching lives, and creating opportunities for individuals and businesses to thrive.

# GTCO Financial Performance 2024

05

| | (N'B) | YOY% |
|---|---|---|
| Gross Earnings | 2,148,337,258 | 81.1% ▲ |
| Net Interest Income | 1,752.22 BN | 142.4% ▲ |
| Pre Before Tax | 1,266.24 BN | 107.8% ▲ |
| Cash & Cash Equivalent | 4,673.05 BN | 102.3% ▲ |
| Total Asset | 14,795.71 BN | 52.7% ▲ |
| Retained Earnings | 1,319,841,616 | 127.5% ▲ |

Dividend Declared (₦7.03K per share)

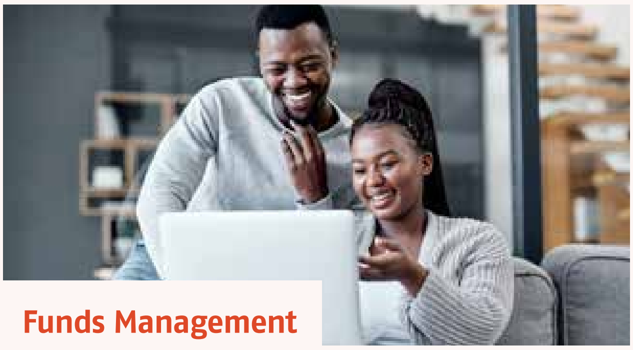
# Driving Financial Excellence Across **Four Key Areas**

GTCO operates across four dynamic business areas, providing tailored financial solutions to **individuals, businesses, institutional investors** and **digital payment users.**

## Banking

At the heart of our ecosystem is Guaranty Trust Bank, a trusted financial partner to millions across Africa and the UK. With a diverse customer base spanning corporates, SMEs, and retail customers, we provide innovative banking solutions that drive growth and financial empowerment.

Our industry-leading financial performance, strong governance, and obsessive commitment to exceptional customer experience make us a benchmark for excellence in African banking.



## Funds Management

With a customer-focused investment philosophy, Guaranty Trust Fund Managers helps clients navigate financial markets confidently, building wealth and financial security.

As a world-class investment partner, we deliver expert-led portfolio management, innovative investment solutions tailored to both individual and institutional clients, and a disciplined approach to wealth creation—ensuring sustainable, long-term value for our clients.

## Pensions Management

Guaranty Trust Pension Managers is a “Proudly Nigerian” pension fund administrator committed to safeguarding the future of our clients’ retirement savings through expertly managed pension schemes.

By prioritizing trust and long-term financial well-being, we empower individuals to retire with confidence.

## Payments

HabariPay provides a comprehensive payment solution designed to meet the needs of businesses of all sizes—from startups to large enterprises—enabling seamless switching, collections and value added services across multiple channels, whether online and offline, so you can receive payments however you choose.

# 3-year **Financial Overview**

| | FY-2024 ₦'millions | FY-2023 ₦'millions | FY-2022 ₦'millions | Growth Rate FY-24 vs FY-23 | Growth Rate FY-23 vs FY-22 |
|---|---|---|---|---|---|
| | | | | | |
| **Guaranty Trust Bank Limited (Banking Group)** | | | | | |
| Gross Earnings | 2,096,361 | 1,164,411 | 534,336 | 80.0% | 117.9% |
| PBT | 1,250,101 | 601,805 | 211,814 | 107.7% | 184.1% |
| Total Assets | 14,253,833 | 9,346,485 | 6,376,337 | 52.5% | 46.6% |
| Money Market Placements | 2,465,255 | 1,302,563 | 496,622 | 89.3% | 162.3% |
| Fixed Income Securities | 4,164,174 | 2,444,765 | 1,434,368 | 70.3% | 70.4% |
| Loans & Advances | 2,785,752 | 2,480,250 | 1,885,853 | 12.3% | 31.5% |
| Customer Deposits | 9,897,463 | 7,219,590 | 4,542,335 | 37.1% | 58.9% |
| Total Equity | 2,676,738 | 1,461,450 | 929,366 | 83.2% | 57.3% |
| | | | | | |
| **Guaranty Trust Fund Managers Limited (GTFM)** | | | | | |
| Gross Earnings | 43,001 | 15,065 | 2,960 | 185.4% | 409.0% |
| PBT | 8,752 | 2,127 | 286 | 311.4% | 643.3% |
| Total Assets | 516,459 | 330,470 | 68,885 | 56.3% | 379.7% |
| Total Equity | 11,374 | 2,584 | 810 | 340.2% | 219.0% |
| AUM- GTFM | 653,993 | 379,942 | 108,347 | 72.1% | 250.7% |
| | | | | | |
| **Guaranty Trust Pension Managers Limited (GTPM)** | | | | | |
| Gross Earnings | 3,120 | 2,084 | 1,429 | 49.7% | 45.8% |
| PBT | 1,563 | 1,002 | 797 | 56.0% | 25.7% |
| Total Assets | 14,252 | 13,043 | 12,014 | 9.3% | 8.6% |
| Total Equity | 13,963 | 12,606 | 11,937 | 10.8% | 5.6% |
| AUM- GTPM | 103,290 | 80,415 | 59,388 | 28.4% | 35.4% |
| | | | | | |
| **HabariPay Limited (Payments)** | | | | | |
| Gross Earnings | 5,855 | 4,906 | 1,543 | 19.3% | 218.0% |
| PBT | 4,219 | 2,342 | 945 | 80.1% | 148.0% |
| Total Assets | 10,975 | 6,728 | 4,071 | 63.1% | 65.3% |
| Total Equity | 9,993 | 6,109 | 3,937 | 63.6% | 55.2% |
| TPV (Gateway, Switching and Int'l Payments) - ₦ billions | 27,381 | 12,148 | 139 | 125.4% | 8621.6% |

# Key Ratios and **Figures**

## GTCO Plc Group

| | For the years ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| | | | |
| Basic Earnings per Share | 35.44 | 19.07 | 5.95 |
| Diluted Earnings per Share | 35.44 | 19.07 | 5.95 |
| Share Price | 57.00 | 40.5 | 23 |
| Dividend per share | 8.03 | 3.20 | 3.10 |
| Shares Outstanding (millions) | 34,139.0 | 29,431.2 | 29,431.2 |
| Return on Equity (post-tax) | 48.59% | 44.82% | 18.65% |
| Return on Assets (post-tax) | 8.31% | 6.69% | 2.85% |
| Cost to Income Ratio | 24.14% | 29.13% | 48.03% |
| Net Loan Loss Ratio | 4.94% | 4.49% | 0.62% |
| Tier 1 Capital Ratio | 35.96% | 20.29% | 23.84% |
| Total Capital Ratio | 39.31% | 21.94% | 24.08% |
| Tier 1 Capital (₦ billions) | 2,023.8 | 983.8 | 790.0 |
| Risk Exposure (₦ billions) | 5,627.7 | 4,849.1 | 3,313.4 |

## GTBank Limited (Banking Group)

| | For the years ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| | | | |
| Return on Equity (post-tax) | 48.48% | 44.74% | 18.41% |
| Return on Assets (post-tax) | 8.50% | 6.80% | 2.83% |
| Cost to Income Ratio | 24.20% | 29.19% | 48.14% |
| Common Equity Tier 1 Capital Ratio | 38.21% | 21.85% | 25.25% |
| Tier 1 Capital Ratio | 36.21% | 20.99% | 24.10% |
| Total Capital Ratio | 39.60% | 22.69% | 24.34% |
| Common Equity Tier 1 Capital (₦ billions) | 2,118.4 | 1,027.4 | 836.7 |
| Tier 1 Capital (₦ billions) | 2,007.4 | 987.2 | 798.7 |
| Risk Exposure Amount (₦ billions) | 5,543.7 | 4,703.2 | 3,313.5 |

## Guaranty Trust Fund Managers Limited (GTFM)

| | For the years ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| | | | |
| Return on Equity (post-tax) | 125.10% | 102.30% | 35.34% |
| Return on Assets (post-tax) | 2.06% | 0.87% | 0.42% |
| Cost to Income Ratio | 21.70% | 28.72% | 57.62% |
| Mutual Funds (₦'millions) | 140,920.0 | 60,357.0 | 39,690.0 |
| Total AUM (₦'millions) | 653,993.0 | 379,942.0 | 108,347.0 |
| Mutual funds/Total AUM | 21.55% | 15.89% | 36.63% |

## Guaranty Trust Pension Managers Limited (GTPM)

| | For the years ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| | | | |
| Return on Equity (post-tax) | 11.77% | 4.01% | 6.68% |
| Return on Assets (post-tax) | 11.45% | 3.92% | 6.64% |
| Cost to Income Ratio | 49.90% | 51.91% | 44.22% |
| Fee and Commission Income (₦'millions) | 805.9 | 589.1 | 392.8 |
| Total Operating Expenses (₦'millions) | 1,556.7 | 1,081.5 | 631.9 |
| Fee and Comm Income/OPEX (Times) | 0.52x | 0.54x | 0.62x |
| RSA Volumes (ex-AES) (₦'millions) | 63,681.0 | 45,916.0 | 30,254.0 |
| Total AUM Volumes (₦'millions) | 103,290.0 | 80,414.9 | 59,388.0 |
| RSA/Total AUM | 61.65% | 57.50% | 50.90% |
| RSA Count | 104,722 | 95,539 | 87,256 |

## HabariPay Limited

| | For the years ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| | | | |
| Return on Equity (post-tax) | 48.24% | 43.26% | 22.13% |
| Return on Assets (post-tax) | 43.87% | 40.24% | 21.74% |
| Cost to Income Ratio | 27.39% | 50.85% | 38.76% |

# Business Area **Summary Results**

## PBT- In Naira 'Millions

| | FY-2024 | | FY-2023 | | FY-2022 | |
|---|---|---|---|---|---|---|
| | PBT by Operating Region | Percentage Contribution[3] | PBT by Operating Region | Percentage Contribution | PBT by Operating Region | Percentage Contribution |
| | | | | | | |
| Nigeria | 1,003,044 | 77.7% | 472,612 | 77.7% | 180,628 | 84.2% |
| West Africa[1] | 232,740 | 18.4% | 105,571 | 17.3% | 26,269 | 12.3% |
| East Africa | 18,466 | 1.5% | 13,713 | 2.3% | 7,221 | 3.4% |
| UK | 21,936 | 1.7% | 11,380 | 1.9% | (1,612) | -0.8% |
| Non-Banking Subsidiaries[2] | 14,534 | 1.1% | 5,472 | 0.9% | 2,028 | 0.9% |
| Total Group PBT (Post Elimination) | 1,266,246 | | 609,308 | | 214,154 | |

1. West Africa excludes Nigeria
2. Non-Banking Subsidiaries are Guaranty Trust Fund Managers Ltd., Guaranty Trust Pension Managers Ltd. and HabariPay Ltd.
3. Contribution is based on the Total Group Figures (excluding elimination entries)

## Gross Revenues - Naira 'Millions

| | FY-2024 | | FY-2023 | | FY-2022 | |
|---|---|---|---|---|---|---|
| | Gross Revenues by Operating Region | Percentage Contribution | Gross Revenues by Operating Region | Percentage Contribution | Gross Revenues by Operating Region | Percentage Contribution |
| | | | | | | |
| Nigeria | 1,502,138 | 69.1% | 915,643 | 77.1% | 397,773 | 73.5% |
| West Africa | 467,853 | 21.5% | 187,969 | 15.8% | 102,140 | 18.9% |
| East Africa | 86,348 | 4.0% | 35,527 | 3.0% | 24,809 | 4.6% |
| UK | 66,335 | 3.1% | 26,836 | 2.3% | 10,335 | 1.9% |
| Non-Banking Subsidiaries | 51,976 | 2.4% | 22,054 | 1.9% | 5,932 | 1.1% |
| Total Gross Revenues (Post Elimination) | 2,148,337 | | 1,186,465 | | 539,235 | |

## Growth Rates (PBT & Gross Revenues)

| | Growth Rates - PBT | | | Growth Rates - Gross Revenues | |
|---|---|---|---|---|---|
| | FY-24 vs FY-23 | FY-23 vs FY-22 | | FY-24 vs FY-23 | FY-23 vs FY-22 |
| | | | | | |
| Nigeria | 112.2% | 161.6% | | 64.1% | 130.2% |
| West Africa | 120.5% | 301.9% | | 148.9% | 84.0% |
| East Africa | 34.7% | 89.9% | | 143.1% | 43.2% |
| UK | 92.8% | 806.2% | | 147.2% | 159.7% |
| Non-Banking Subsidiaries | 165.6% | 169.8% | | 135.7% | 271.8% |
| Total Group | 107.8% | 184.5% | | 81.1% | 120.0% |

# Board of Directors – GTBank Limited

**Dr. (Mrs.) A. O. Martins**
Chairman

**Mrs. M. C. Olusanya**
Managing Director

**Mrs. V. O. Adefala**
Independent Non-Executive Director

**Prof. K. B. Omidire**
Non-Executive Director

**Ms. O. Olusanya**
Independent Non-Executive Director

**Mr. D. Shuaib**
Non-Executive Director

**Mr. B. G. Okuntola**
Deputy Managing Director

**Mr. A. Liman**
Executive Director

# Guaranty Trust Bank: **A Legacy of Trust, Built on Service Excellence**

The GTBank promise is simple yet profound: to consistently deliver exceptional financial services that empower customers, and drive economic progress in every environment that we conduct business.

Built on a legacy of trust and excellence spanning over three decades, GTBank has remained steadfast in its commitment to redefining customer experiences through innovation, integrity, and service. From pioneering digital banking solutions that provide seamless, secure, and convenient access to financial services, to setting industry benchmarks in corporate governance and risk management, GTBank's journey has been one of continuous transformation—always anticipating and meeting the evolving needs of customers.

Established as a high-end banking franchise, GTBank has successfully evolved into a full-service financial institution covering retail, business banking, commercial banking and institutional banking segments, leveraging its international banking license to extend its banking services beyond Nigeria and serve economies across Africa and the United Kingdom. This transformative pivot from a corporate-focused institution to a retail-driven bank has significantly boosted the deposit base, strengthening liquidity and ensuring a sustainable, low-cost funding structure.

## How We Do Business

Our operational model is designed to ensure stability, efficiency, and sustained value creation. By maintaining our premium corporate relationships while rapidly expanding retail penetration, the Bank has successfully positioned itself as a dominant player in the Nigerian banking sector, offering differentiated products and services to individuals, SMEs, and large corporations.

At the heart of our operations lies an unwavering commitment to service excellence and innovation. We believe that by understanding and anticipating our customers' needs, we can deliver tailored solutions that enhance their banking experience. This philosophy drives us to continuously innovate, ensuring that our products and services not only meet but exceed expectations.

## Business Development and Growth Strategy

In 2024, we remained focused on strengthening our market leadership by deepening our retail banking dominance, enhancing digital capabilities, and maintaining a disciplined approach to balance sheet management. Recognizing the need to serve an increasingly diverse customer base, we have expanded our retail footprint by launching innovative savings and investment products that encourage financial inclusion while leveraging technology to provide seamless banking services to individuals and SMEs.

At the same time, we have continued to optimize our corporate and commercial banking operations, reinforcing relationships with businesses across various sectors to provide tailored financial solutions that drive business growth. This dual approach of expanding retail penetration while maintaining our corporate banking sophistication has cemented our market leading credentials.

Technology remains central to our growth strategy, with a strong focus on leveraging IT investments to enhance customer service and operational efficiency. In 2024, we significantly upgraded GTWorld, our flagship mobile banking application, delivering a faster, more secure, and user-friendly digital experience. Additionally, we transitioned to a next-generation core banking application that improves transaction processing speed, security, and system scalability, ensuring that our banking infrastructure can support future innovations and the growing demand for seamless digital transactions. These investments in technology are aimed at enhancing the overall customer experience while optimizing internal efficiencies, reducing turnaround times, and minimizing operational risks.

Through our extensive network of agents, mobile banking platforms, and digital channels, we continue to bridge the financial access gap by making everyday banking more convenient and accessible.

As the banking industry moves toward recapitalization, GTBank is well-positioned to meet regulatory capital requirements while maintaining its financial strength. We are pursuing a proactive approach to capital adequacy by optimizing retained earnings, strengthening internal capital generation, and exploring strategic capital-raising initiatives where necessary. This ensures that we not only meet the revised minimum capital requirements but also maintain a strong capital buffer to support business expansion and future growth.

## GTBank Nigeria

As the flagship banking franchise, GTBank Nigeria's operational model is designed to ensure stability, efficiency, and sustained value creation. Recognising the need to serve an increasingly diverse customer base, GTBank Nigeria has expanded its retail footprint by launching innovative savings and investment products that encourage financial inclusion while leveraging technology to provide seamless banking services to individuals, SMEs and large corporations. By maintaining premium corporate relationships while rapidly expanding retail penetration, GTBank Nigeria has successfully positioned itself as one of the leading players in the Nigerian banking sector.

GTBank Nigeria maintains a healthy balance sheet by keeping Non-Performing Loans (NPLs) low while expanding its low-cost funding base. This is achieved through an aggressive drive to grow customer deposits, leveraging extensive retail reach and corporate relationships to maintain strong liquidity. With rising competition in the financial services industry, particularly from fintech disruptors and digital-only banks, GTBank Nigeria is intensifying efforts to grow the deposit base through a combination of superior customer service, innovative savings and investment products, and enhanced digital engagement. The goal is to consistently drive double-digit growth in customer deposits, leveraging an extensive retail network and strategic business banking initiatives.

GTBank Nigeria reported a PBT of ₦1.0 trillion for FY-2024, representing a notable increase of 112.2% from ₦472.6 billion recorded in FY-2023, driven by efficient balance sheet management, growth in transactional volumes, strong asset quality and sustained cost efficiency. Key profitability metrics remained impressive with Post-Tax ROAE and ROAA closing at 52.3% and 10.1% respectively.

## GTBank West Africa Region

Since the expansion of its regional footprint from 2001, the performance of the GTBank West Africa region has continued to witness impressive growth and resilience on a year-on-year basis.

The region focused on improving customer experience and increasing access to products and services. For retail customers, the strategy centered on driving adoption of alternative and self-service banking channels, as well as expanding the range of savings products to attract retail deposits. These efforts were reflected in improved customer satisfaction scores across the regions.

The West Africa region also continued to support its SME, Corporate & Institutional customers with a range of financial solutions to meet their operational needs within. With a strong capital base and focus on growth markets, the region is well positioned to support its customers in their drive for sustained business success.

The West Africa region recorded a 120.5% growth in consolidated profit before tax, from ₦105.6 billion recorded for the year ended 31 December 2023 to ₦232.7 billion for the year ended 31 December 2024. The increase in the region's PBT is attributable to growth in interest income across the operating entities within the region, growth in net fees and commission earnings on the back of increased transaction volumes and exchange rate translation impact which resulted in an increase of 1.1% in the region's contribution to Group PBT from 17.3% in FY-2023 to 18.4% in FY-2024. Overall, the profitability metrics for the 2024 Financial Year closed at 41.5% (Post-Tax ROAE) and 6.8% (Post-Tax ROAA) respectively.

## GTBank East Africa Region

In 2024, the East Africa region prioritised enhancing customer experience through relationship management and technology leadership. The subsidiaries also invested in technology infrastructure enhancement through server enhancements and network equipment refresh.

In a bid to grow the retail and SME businesses, the region focused on new product development and existing product enhancements. Additionally, new branch locations were identified for expansion purposes. The region also focused on establishing agency banking partnerships in each of the countries to increase the touch points for existing customers whilst driving acquisition.

The GTBank East Africa region recorded a year-on-year growth of 34.7% on its profit before tax, from ₦13.7 billion for the year ended 31 December 2023 to ₦18.5 billion for the year ended 31 December 2024. GTBank Kenya and GTBank Rwanda were largely responsible for the improvement in the East Africa Region's PBT performance. Overall, the profitability metrics for the 2024 Financial Year closed at 9.2% (Post-Tax ROAE) and 2.2% (Post-Tax ROAA) respectively.

## GTBank United Kingdom

Guaranty Trust Bank (UK) Limited is authorised by the Financial Conduct Authority ("FCA") and regulated by both the FCA and Prudential Regulation Authority ("PRA"). GTBank UK provides trade finance, correspondent banking, corporate banking, mortgage lending, deposit taking activities and other personal banking services to non-UK based individuals, corporates and financial institutions.

GTBank UK recorded a profit before tax of ₦21.9 billion for the year ended 31 December 2024, which was a growth of 92.8% over ₦11.4 billion in FY-2023. This increase in profitability can be attributed to the growth in the mortgage book, which offset the decline in mortgage ratios during the period. Total assets as at 31 December 2024 closed at ₦1.1 trillion, over 100% growth from ₦545.1 billion reported in the prior year. Overall, the profitability metrics for the 2024 Financial Year closed at 23.1% (Post-Tax ROAE) and 1.9% (Post-Tax ROAA) respectively.

## Key Performance Highlights

### PBT

**₦1.25trn**

The Banking Group reported a profit before tax of 1.25 trillion on a consolidated basis, representing an increase of 107.7% over 601.81 billion recorded in the previous year and contribution of 98.9% to Group PBT.

### Loan Growth

**12.3%**

The consolidated loan book (net) of the Banking Group increased by 12.3% from 2.48 trillion to 2.79 trillion, reflecting a commitment to supporting customers across various sectors of the operating economies.

### Deposit Growth

**37.1%**

Deposit liabilities grew by 37.1% from 7.22 trillion to 9.90 trillion, underscoring the confidence customers have in the Group's banking services

### Total Assets

**₦14.25trn**

The Banking Group maintained a strong balance sheet with total assets and shareholders' funds closing at 14.25 trillion and 2.68 trillion, respectively. The CAR remained robust at 39.6%, while IFRS 9 Stage 3 Loans closed at 5.2% from 4.2% in the previous year.

# GTBank 2025 Strategic Priorities

As we look ahead to 2025, we remain focused on sustaining our momentum of growth, innovation, and improved customer service. Our strategic priorities for the year reflect a balanced approach to expansion, technological advancement, and operational resilience.

**Branch Expansion:** We plan to broaden our branch network across Nigeria, West Africa, and East Africa. This expansion will enable us to serve more customers, deepen market penetration, and strengthen our presence across key regions.

**Enhancing Customer Experience:** We are committed to delivering highly personalised banking experiences by leveraging AI and data analytics to better understand and anticipate customer needs, ultimately driving greater satisfaction, loyalty, and retention.

**Expanding Financial Inclusion:** We aim to deepen our reach to underserved and unbanked populations by offering innovative, accessible financial solutions. Through digital and agent banking initiatives, we will promote inclusive economic empowerment across communities.

**Accelerated Deposit Growth:** Our strategy includes aggressively growing our deposit base, further fortifying our balance sheet. By building a diverse and stable pool of low-cost retail deposits, we will ensure a consistent flow of funding to support our lending and investment activities.

**Technology Investment:** We will continue to invest in advanced digital technologies to enhance the security, accessibility, and functionality of our platforms. These investments are critical to supporting new products and services and delivering seamless customer experiences.

**Operational Efficiency and Cost Optimisation:** We are committed to improving operational efficiency by streamlining internal processes, automating routine tasks, and embracing agile methodologies. Our focus will be on reducing operational costs while increasing productivity, ensuring optimal resource allocation and sustainable profitability.

**Strengthening Risk Management:** Our disciplined approach to risk management remains a cornerstone of our operations. We will continue to implement robust frameworks to maintain a strong asset quality, minimise NPLs, and uphold our low-cost funding model.

As we navigate the dynamic financial landscape, GTBank remains guided by its core values of delivering exceptional customer experiences, fostering innovation, and driving sustainable growth for our customers, stakeholders, and the communities we serve.

**M. Olusanya**
Managing Director

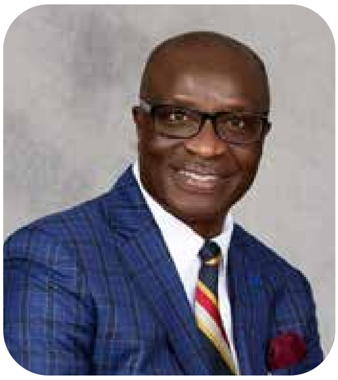
# Board of Directors – Guaranty Trust Fund Managers Limited

**Mrs. S. A. Giwa-Osagie**
Chairman

**Mr. K. Biiranee**
Managing Director

**Ms. O. Ogunlaja**
Non-Executive Director

**Mr. D. Shuaib**
Non-Executive Director



**Mr. A. Odetunde**
Independent Non-Executive Director

**Mrs. J. Essien**
Executive Director

FUNDS MANAGEMENT

# Guaranty Trust Fund Managers: **A Vision for Wealth Creation**

Guaranty Trust Fund Managers (GTFM) has rapidly established a reputation as a leading asset management company providing private and institutional investors with access to a diverse range of multi-asset class portfolios.

GTFM is at the forefront of wealth management, offering bespoke investment solutions that ensure capital preservation, sustainable growth, and income generation.

With a strong foundation built on investment expertise and data-driven insights, GTFM has emerged as one of the major players in the industry, carving out significant market share. The company's rapid ascent is a testament to its unwavering commitment to innovation, deep investment expertise, and its ability to anticipate and meet the evolving needs of its clients. By deploying robust investment strategies and leveraging technology, GTFM has created a dynamic, customer-centric business that offers unparalleled value to investors across multiple asset classes.

GTFM is committed to redefining wealth management through innovation, expertise, and a relentless focus on value creation. The company's growth trajectory underscores its ability to navigate complex market environments while staying ahead of industry trends.

## GTFM's Business Model and Approach

GTFM's approach is underpinned by a disciplined investment philosophy, data-driven insights, and an unrelenting focus on delivering superior returns to its clients. The company serves retail investors, high-net-worth individuals, and institutional clients through a team of knowlegeable and experienced client service professionals, and strategic synergy within the GTCO Group.

## Investment Solutions: Mutual Funds and Segregated Funds

GTFM offers a broad range of wealth management solutions tailored to meet the diverse needs of its clients. The company's offerings are structured into two main categories: Mutual Funds and Segregated Funds. Each category provides flexible and well-diversified investment options designed to optimize returns while managing risk effectively.

### Mutual Funds

Mutual funds provide investors with diversified exposure across multiple asset classes, ensuring risk mitigation and steady income generation. GTFM's suite of mutual funds caters to a wide range of investors, from those seeking liquidity and short-term stability to those looking for long-term capital appreciation.

**Key Benefits:**

- **Diversification:** Spreads risk across multiple securities and asset classes.
- **Liquidity:** Investors can buy or sell units easily.
- **Professional Management:** Expert fund managers deploy data-driven insights for optimal performance.
- **Accessibility:** Tailored to retail and institutional investors with varying risk profiles.

### Segregated Funds

GTFM's segregated funds offer tailored investment solutions, providing clients with either discretionary or non-discretionary portfolio management services. These funds are structured to meet the specific investment objectives of individuals and institutions, granting them greater flexibility and control over their portfolios.

**Key Benefits:**

- **Customisation:** Tailored to the client's risk profile and financial goals.
- **Professional Expertise:** Active portfolio management by seasoned professionals.
- **Asset Protection:** Designed to preserve capital while optimising returns.
- **Strategic Flexibility:** Clients can choose between discretionary or advisory-based management.

### A Year of Unprecedented Growth

2024 was marked by economic volatility, inflationary pressures, and currency fluctuations. Despite these challenges, the business delivered exceptional results, demonstrating resilience and strong operational performance.

During the year, GTFM launched Fund 724, a USSD based open-ended, naira-denominated Unit Trust Scheme. With a minimum subscription of NGN1,000, Fund 724 offers every Nigerian an opportunity to earn competitive returns on their savings along with the flexibility of easy access and withdrawals.

In addition to its financial achievements, GTFM successfully executed a major digital transformation initiative with the adoption of a more advanced core application in 2024, enhancing operational efficiency and customer experience. The company also expanded its market presence into Southern and Northern Nigeria, reinforcing its commitment to accessibility and growth across Nigeria. These strategic pivots have positioned GTFM as one of the fastest-growing wealth management firms in the country.

## Key Performance Highlights

**Assets Under Management**

**₦654bn**

Increased by 72% to N654 billion, up from N380 billion in 2023.

**PBT**

**₦8.75bn**

reflecting a 311% rise from the previous year.

**Total Revenues**

**₦43bn**

185% YoY increase

**Mutual Fund Growth**

**133%**

from N60.4 billion to N140.9 billion in 2024, driven by strong demand for Dollar Fund, Money Market Fund, and the newly launched Fund 724.

# GTFM 2025 Strategic Priorities

To sustain our growth momentum and consolidate our position as an industry leader, GTFM has outlined a focused set of strategic priorities for 2025. These initiatives are designed to expand our market presence, drive innovation, and enhance our client experiences.

**Expanding Digital Channels:** We will continue to enhance our digital platforms to offer seamless, real-time portfolio monitoring and transaction capabilities across web, mobile, and USSD channels, ensuring greater accessibility and convenience for our clients.

**Tailored Product Development:** Our commitment to innovation will drive the expansion of bespoke investment solutions aligned with market trends, evolving investor needs, and global best practices.

**Cross-Selling:** We will strengthen synergies within the GTCO ecosystem to effectively cross-sell a broader range of investment products and integrated solutions that meet diverse client needs.

**Retail Expansion:** As part of our strategy to deepen market penetration, we will scale our retail footprint by offering simplified investment products via targeted campaigns across online and offline distribution platforms.

**Operational Efficiency:** We will further optimise internal workflows and automate key processes to boost responsiveness, improve turnaround times, and maintain a lean, agile operating model that adapts swiftly to market dynamics.

**Talent Development:** We remain committed to investing in our people by implementing continuous learning and development programs that foster technical excellence, leadership growth, and industry-leading expertise.

At GTFM, we remain committed to empowering clients with world-class investment solutions and reinforcing our position as Nigeria's premier wealth management partner.

**K. Biiranee**
Managing Director

# Board of Directors – Guaranty Trust Pension Managers Limited

**Mrs. C. Echeozo**
Chairman

**Mrs. A. Dosunmu**
Managing Director

**Mrs. M. Dosumu**
Independent Non-Executive Director

**Mr. G. Uwakwe**
Non-Executive Director

**Mr. S. Idris**
Independent Non-Executive Director

# Guaranty Trust Pension Managers: **Your Proudly Nigerian Pension Manager**

Guaranty Trust Pension Managers (GTPM) aims to redefine pension fund management in Nigeria with a customer-centric approach rooted in risk management, transparency, and innovation.

As part of the GTCO Group, GTPM aspires to make retirement planning more accessible to Nigerians and become a trusted pension fund manager offering competitive returns and practical pension solutions to support customers throughout their financial journey.

### How GTPM Does Business

GTPM is committed to safeguarding the financial future of individuals by offering a comprehensive range of pension solutions tailored to the evolving needs of its diverse clientele. The company has continued to leverage the Group's deep risk management expertise, cutting-edge technology, and culture of excellence to build a pension business that prioritises long-term growth, value creation, and superior customer service. GTPM operates with the highest standards of integrity, ensuring that every customer's pension contributions are managed prudently, transparently, and with a long-term growth perspective underpinned by a rigorous approach to risk management. GTPM maintains strict compliance with the regulatory framework established by the National Pension Commission, ensuring the preservation and growth of its customers' retirement assets. The company's commitment to responsible pension fund management enables it to deliver consistent returns while ensuring financial security for all contributors.

### Business Development and Growth Strategy

The global pension industry is evolving, with increasing adoption of digital solutions, more personalized investment strategies, and a growing emphasis on financial inclusion through micro-pensions. In Nigeria, regulatory developments, economic shifts, and demographic changes are shaping the pension landscape, driving the need for more flexible and accessible retirement solutions. To stay ahead, GTPM is pioneering customer-friendly digital solutions, expanding micro-pension initiatives to include informal sector workers, and refining its investment strategies to optimize returns.

Innovation is at the heart of the company's growth strategy. In 2024, GTPM launched seamless digital onboarding solutions, making it easier for individuals to register for Retirement Savings Accounts (RSAs). The company's self-service portal empowers customers to manage their pensions independently, check balances, and print statements, reducing the need for human intervention. Integration with the Group's redesigned GTWorld mobile application further streamlined access, providing a unified digital experience. These advancements position GTPM as a digital-first pension provider, delivering superior convenience and service reliability.

In 2024, GTPM crossed the  100 billion threshold in Assets Under Management (AUM), marking a 100% increase since the company was acquired. The company's customer base also grew to over 100,000, with 10,000 new acquisitions during the year—a strong indication of the trust it continues to build in the market. In order to deepen market penetration, GTPM expanded its distribution network, opening four new service centers in Ibadan, Makurdi, Owerri, and Ilorin. This expansion is part of a broader strategy to increase accessibility, particularly in underserved regions, and reinforce its status as a proudly Nigerian pension fund manager dedicated to securing the financial future of all citizens.

A key focus area for GTPM is the development of micro-pension solutions tailored for Nigeria's vast informal workforce, which constitutes over 80% of the economy. The company introduced simplified registration processes, flexible contribution structures, and digital payment channels to encourage participation. By leveraging GTBank Nigeria's extensive reach and trusted brand, GTPM aims to drive micro-pension adoption at scale, ensuring that millions of Nigerians previously excluded from formal pension schemes can build a secure retirement.

### A Future Built on Trust and Innovation

GTPM is poised for sustained growth, combining the agility of a young, dynamic pension manager with the credibility and expertise of a trusted financial services powerhouse. With a clear vision, a strong team, and focus on delivering value, GTPM is building a pension business that will stand the test of time and empower generations to come.

## Key Performance Highlights

**Assets Under Management**

**₦103.3bn**

28% increase from  80.4 billion at the end of 2023.

**PBT**

**₦1.56bn**

increased 56% year-on-year, with the cost-to-income ratio improving to 49.7% from 51.9% in 2023

**Total Revenues**

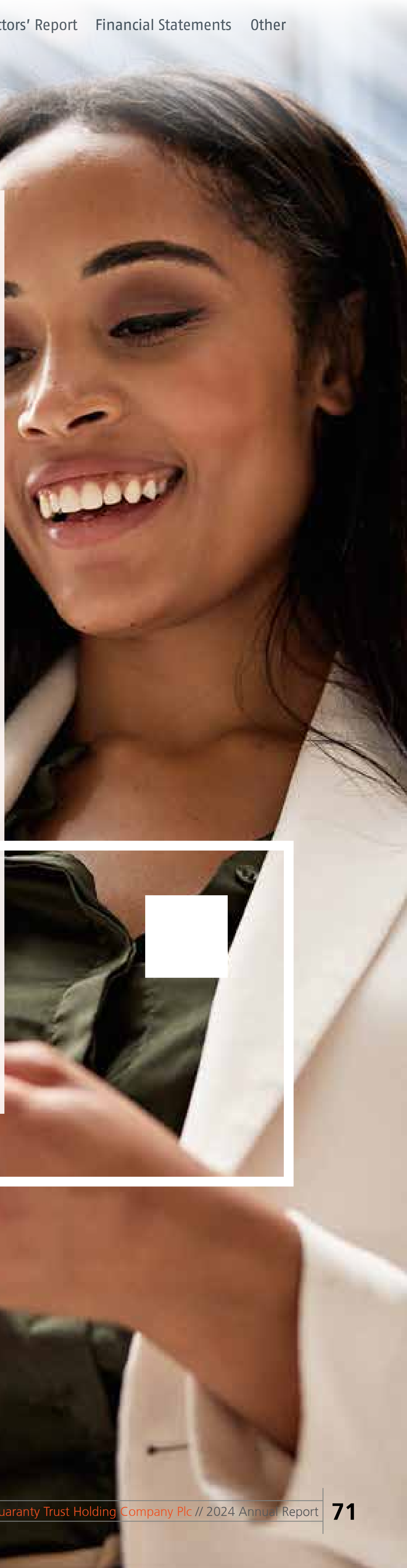
**₦3.12bn**

49.7% year-on-year growth, primarily driven by higher investment income and growth in AUM.

**Shareholders' Fund**

**₦13.96bn**

a 10.8% increase from  12.61 billion at the end of 2023.



# GTPM 2025 Strategic Priorities

Looking ahead to 2025, GTPM is committed to increasing market share, enhancing service delivery, driving innovation, and improving operational efficiency.

**Increasing Market Share:** We aim to grow our AUM by at least 30% and expand our customer base by 50%, leveraging our strong brand equity, digital capabilities, and strategic outreach initiatives. We will establish additional service centers and strengthen collaboration within the GTCO ecosystem to support cross-selling opportunities and ensure broader access to our pension products.

**Driving Micro-Pension Adoption:** We will continue to advance financial inclusion by scaling our micro-pension offerings, with a focus on enrolling participants from Nigeria's informal sector. Through strategic partnerships and awareness campaigns, we will extend pension coverage to underserved segments of the population.

**Enhancing Digital Solutions:** We plan to roll out AI-powered advisory tools to deliver personalised pension planning insights. We will also expand self-service capabilities, enabling customers to manage their pension accounts conveniently and securely across multiple digital touchpoints.

**Maintaining Strong Risk Management:** In response to evolving market dynamics, we will refine our investment strategies to optimise long-term returns while preserving capital and maintaining compliance with regulatory standards.

**Talent Development:** We recognise that our people are the foundation of our continued success. We will continue to focus on attracting, developing and retaining top-tier talent to foster a culture of growth, innovation, exceptional service delivery and resilience.

As we pursue these priorities, GTPM remains committed to delivering superior value to our contributors while promoting long-term financial security for all stakeholders.

**A. Dosunmu**
Managing Director

# Board of Directors – HabariPay Limited

**Mrs. B. Osunde**
Chairman, Board of Directors

**Mr. J. K. Agbaje**
Non-Executive Director

**Mrs. E. Japhet**
Managing Director

**Mr. A. Atanda**
Executive Director

PAYMENTS

# HabariPay:
# The Payments Company Africa Relies On

In a financial technology landscape where many players chase valuations at the expense of sustainability, HabariPay stands apart as a payment fintech built on profitability, resilience, and real impact.

From inception, the company's focus has not been on speculative growth but on creating real value by driving digital transformation for businesses and consumers.

HabariPay is not just another payment company—it is an enabler of commerce, a facilitator of financial flows, and a driver of economic inclusion across Africa and beyond. Driven by a business model built on operational efficiency and sustainable growth, HabariPay achieved profitability in its first year and has remained profitable and agile. The future of payments starts here.

### How HabariPay Does Business

The fintech industry is evolving at a rapid pace, with global trends pointing toward embedded finance, and real-time transaction capabilities. In Nigeria and across Africa, where cash still dominates, digital payment solutions are reshaping financial interactions.

HabariPay is leveraging cutting-edge technology to build a payments ecosystem that delivers convenience, security, and seamless experiences for merchants and consumers. The company is structured around a dynamic and agile model that prioritises efficiency, security, and scalability. HabariPay provides a full spectrum of payment services, including merchant acquiring, switching and value added services. The proprietary technology stack enables the company to process transactions at scale while maintaining the highest security standards and optimizing costs. This approach is underpinned by a robust technological framework that ensures seamless transactions, enhanced security, and operational efficiency.

HabariPay's infrastructure is built on and around Squad—a philosophy that embodies teamwork, agility, and innovation.

Squad is more than just a name; it embodies a philosophy that champions collaboration and fuels innovation. This ethos is deeply rooted in the workforce, comprising young, vibrant minds who thrive on teamwork and collective problem-solving. By fostering an environment where diverse talents converge, HabariPay harnesses the power of unity to drive groundbreaking solutions in the fintech landscape. A testament to this philosophy is the inaugural "Take on Squad Hackathon 1.0" held on January 19 and 20, 2024. Targeted at young innovators from Nigerian universities and tertiary institutions, this social coding event challenged teams to devise innovative solutions addressing both local and broader societal challenges. Participants had the unique opportunity to collaboratively develop practical technology solutions and enhance their coding skills.

### Business Development and Growth Strategy in 2024

HabariPay's growth strategy is anchored in three core areas: merchant acquisition, switching and value added services. The company continues to onboard merchants at an accelerated pace, offering them easy-to-integrate payment solutions that enhance customer experience and drive sales.

Innovation remains at the heart of the company's strategy. HabariPay is advancing its switching services, which is crucial in enabling seamless bank-to-bank transfers and enhancing liquidity for businesses.

Beyond Nigeria, HabariPay is working towards regional presence by integrating with global payment networks and fostering strategic partnerships, HabariPay is positioning itself as the gateway for African businesses looking to scale internationally.

## Key Performance Highlights

Expanded our merchant base to over

**800**

businesses

Revenue from transaction processing increased by

**477%**

...while transaction margin grew by

**500%**

Transaction Payment Count (TPC) on HabariPay Switch grew by

**105%**

PBT:

**₦4.2bn**

80% year-on-year increase, driven by strategic cost management and growth in our key revenue streams

# HabariPay 2025 Strategic Priorities

In 2025, our focus is on scaling innovation, growing merchant acquisition, and expanding our geographical footprint. We remain committed to delivering seamless, secure, and future-ready payment solutions to all our customers.

**Accelerated Merchant Growth:** We aim to scale merchant acquisition across the SME and institutional segments of the market. Through targeted outreach and collaboration within the GTCO ecosystem, we will expand our customer base and increase platform adoption.

**Develop POS Business:** We will introduce a Point-of-Sale (POS) business vertical targeted at offering merchants reliable, cost-effective in store payment solutions. We will strategically leverage low pricing, enhanced device functionality, and faster transaction processing to position our POS offerings as essential tools for business growth.

**Technology Advancements:** We will continue to invest in advanced technologies including AI-driven fraud detection and real-time settlements infrastructure to deliver a secure, intelligent, and frictionless experience for our merchants and partners.

**West Africa Expansion:** As we pursue regional growth, we are focused on establishing a strong footprint across West Africa. Our strategy involves entering key markets, forming strategic partnerships, and aligning with local financial ecosystems.

**The Future of Payments Starts Here**

At HabariPay, we are focused on empowering businesses, enabling commerce, and driving the African digital payments ecosystem. With Squad at the heart of our innovation, we're not just adapting to industry trends, we're defining them. The future is digital, and we're making every transaction count.

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**E. Japhet**
Managing Director

06

# Board of Directors' Report

- Board of Directors
- Directors' Report
- 2024 Corporate Governance Statement
- Abridged Sustainability Report
- AML/CFT Framework
- Internal Control Systems
- Signing of the Annual Report
- Independent Consultant's Report
- Independent Auditor's Report

# Board of Directors – GTCO Plc

**Mr. H.A. Oyinlola**
Chairman, Board of Directors

**Mr. J.K. Agbaje**
Group Chief Executive Officer

**Mr. S. Barau**
Independent Non-Executive Director

**Mrs. H.L. Bouygues**
Independent Non-Executive Director

**Mrs. C.N. Echeozo**
Non-Executive Director

**Mr. A.I. Adeniyi**
Executive Director

**Mr. E.E. Obebeduo**
Group Company Secretary

# Directors' Report

## For the financial year ended December 31, 2024

The Directors of Guaranty Trust Holding Company Plc ("GTCO" or the Company") are pleased to present their report on the affairs of the Company and its subsidiaries (the "Group"), together with the Group's audited financial statements and the Auditor's Report for the financial year ended December 31, 2024.

### Legal Form and Principal Activity

The Company was incorporated as a public limited company on July 24, 2020 and was licensed as a non-operating financial holding company by the Central Bank of Nigeria (CBN) on April 14, 2021. The Company's ordinary shares were listed on The Nigerian Exchange Limited (NGX) on June 24, 2021 and its Global Depositary Receipts (GDRs) were admitted to listing on the Official List of the Financial Conduct Authority of the United Kingdom and to trading on the London Stock Exchange on June 25, 2021, further to the implementation of a scheme of arrangement for the restructuring of the Guaranty Trust Group into a non-operating financial holding company structure with investments in banking and non-banking permissible businesses. The Company commenced operations on August 1, 2021.

The Company has four direct subsidiaries that operate Banking, Payments, Pension Fund Administration and Asset Management businesses.

The Company prepares consolidated financial statements, which include separate financial statements of the subsidiary companies.

### Operating Results

The highlights of the Group's operating results for the financial year ended December 31, 2024, are as follows:

| | Group | Group | Company | Company |
|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Gross Earnings | 2,148,337,258 | 1,186,465,425 | 367,664,083 | 109,735,273 |
| **Profit before income tax** | **1,266,246,073** | **609,308,442** | **365,747,745** | **107,983,548** |
| Income tax expense | (248,443,224) | (69,653,768) | (1,042,894) | (1,581,672) |
| **Profit for the year** | **1,017,802,849** | **539,654,674** | **364,704,851** | **106,401,876** |
| | | | | |
| **Profit attributable to:** | | | | |
| Equity holders of the parent entity | 1,006,219,889 | 534,425,317 | 364,704,851 | 106,401,876 |
| Non-controlling interests | 11,582,960 | 5,229,357 | - | - |
| Earnings Per Share (Kobo) - Basic | 35.44 | 19.07 | 12.23 | 3.62 |
| Earnings Per Share (Kobo) - Diluted | 35.44 | 19.07 | 12.23 | 3.62 |

## Dividends

During the period under review, the Directors proposed the payment of an interim dividend in the sum of ₦1.00 per ordinary share of 50 kobo each payable to shareholders on the register of shareholding at the closure date. Withholding tax was deducted at the time of payment.

There was no income tax consequence on the Company as a result of the dividend pay-out, as the Company is only required to deduct this tax at source on behalf of tax authorities in Nigeria. The tax so withheld represents advance payment of income tax by the recipient shareholders.

The Directors recommend the payment of a final dividend of ₦7.03K per ordinary share (bringing the total dividend for the financial year ended December 31, 2024, to ₦8.03K (2023: ₦3.20K per share). Withholding tax would be deducted at the point of payment.

## Directors and their Interest

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital (including the GDRs) of the Company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 (as amended) and the listing requirements of the NGX is noted below:

| | Names | Direct Holding December 2024 | Indirect Holding December 2024 | Direct Holding December 2023 | Indirect Holding December 2023 |
|---|---|---|---|---|---|
| 1 | Mr. H. A. Oyinlola (Kezenergy Solutions Limited)[1] | - | 755,184 | | 555,184 |
| 2 | Mr. J. K. Agbaje | 32,146,651 | 9,481,350[2] | 32,146,651 | 9,481,3501[2] |
| 3 | Mrs. C. N. Echeozo | 2,108,118 | 2,940,300[2] | 2,108,118 | 2,940,300[2] |
| 4 | Mr. S. Barau | - | - | - | - |
| 5 | Mrs. H. L. Bouygues | - | - | - | - |
| 6 | Mr. A. I. Adeniyi | 263,312 | 74,400 | 263,312 | 74,400 |

[1]Indirect shareholding

[2]Global Depository Receipts

## Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its regulators. The Non-Executive Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors, such sums as shall be approved by shareholders at the Annual General Meeting.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its Directors as follows:

| Type of package | Description | Timing |
|---|---|---|
| **Fixed** | | |
| Basic Salary | - Part of gross salary package for Executive Directors only.<br><br>- Reflects the financial industry competitive salary package and the extent to which the Company's objectives have been met for the financial year | Paid monthly during the financial year |
| 13th month salary | - Part of gross salary package for Executive Directors only. | Paid last month of the financial year |

| | | |
|---|---|---|
| | - Reflects the financial industry competitive salary package and the extent to which the Company's objectives have been met for the financial year | |
| Director fees | - Paid annually after the approval of the Annual General Meeting ('AGM') to Non-Executive Directors only | Paid annually after the approval of the AGM |
| Sitting allowances | - Allowances are paid to Non-Executive Directors only for attending Board and Board Committee Meetings. | Paid after each Meeting |

## Shareholding Analysis

| Share Range | | Number of Shareholders | % of Shareholder | Number of Holdings | % Shareholding |
|---|---|---|---|---|---|
| 1 | 10,000 | 383,028 | 82.0155 | 918,005,513 | 2.6892 |
| 10,001 | 50,000 | 63,370 | 13.5690 | 1,382,902,304 | 4.0510 |
| 50,001 | 100,000 | 9,689 | 2.0746 | 698,566,099 | 2.0464 |
| 100,001 | 500,000 | 8,506 | 1.8213 | 1,753,516,056 | 5.1367 |
| 500,001 | 1,000,000 | 1,093 | 0.2340 | 772,085,212 | 2.2617 |
| 1,000,001 | 5,000,000 | 1,005 | 0.2152 | 2,029,769,252 | 5.9460 |
| 5,000,001 | 10,000,000 | 144 | 0.0308 | 999,558,861 | 2.9281 |
| 10,000,001 | 50,000,000 | 114 | 0.0244 | 2,331,772,943 | 6.8306 |
| 50,000,001 | 100,000,000 | 23 | 0.0049 | 1,677,258,214 | 4.9133 |
| 100,000,001 | 500,000,000 | 33 | 0.0071 | 6,626,177,588 | 19.4106 |
| 500,000,001 | 1,000,000,000 | 6 | 0.0013 | 4,366,036,834 | 12.7898 |
| 1,000,000,001 | 2,000,000,000 | 7 | 0.0015 | 9,227,423,601 | 27.0306 |
| **SUB TOTAL:** | | **467,018** | **99.9998** | **32,783,072,477** | **95.3972** |
| GDRs (Underlying shares) | | 1 | 0.0002 | 1,353,907,037 | 3.9661 |
| **TOTAL*:** | | **467,019** | **100** | **34,136,979,514** | **100** |

*The Registrars have confirmed that clearing house number is being awaited for1,970,170 shares

According to the Register of Members as at December 31, 2024, no individual shareholder held more than 5% of the issued share capital of the Company except Stanbic IBTC Nominees Limited and Zenith Pensions Custodian Limited:

| Shareholder | % of Shareholding | Number of Holdings |
|---|---|---|
| Stanbic IBTC Nominees Nigeria Limited* | 23.47 | 6,769,171,221 |
| Zenith Pensions Custodian Limited** | 7.03 | 2,060,182,545 |

* Stanbic IBTC Nominees Limited held 23.47% of the Company's shares largely in trading accounts on behalf of various investors.

** Zenith Pensions Custodian Limited held 7.03% of the Company's shares largely in trading accounts on behalf of various pension funds.

## Post Balance Sheet Events

There was no post balance sheet event which could have a material effect on the financial position of the Group as at December 31, 2024 and profit attributable to equity holders on the date other than as disclosed in Note 46 of the financial statements.

## Gender Analysis

The average number and percentage of males and females employed during the year ended December 31, 2024 vis-a-vis total detailed Gender Analysis in average terms of Board and Top Management as at December 31, 2024 is as follows:

**The Company**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Employees | 23 | 22 | 45 | 51% | 49% |

**Gender Analysis in terms of Board and Top Management as at December 31, 2024 is as follows:**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Board | 2 | - | 2 | 100% | - |
| Top Management | 1 | 3 | 4 | 25% | 75% |
| Total | 3 | 3 | 6 | 50% | 50% |

**Detailed Gender Analysis in terms of Board and Top Management as at December 31, 2024 is as follows:**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Assistant General Manager | - | - | - | - | - |
| Deputy General Manager | - | 1 | 1 | - | 100% |
| General Manager | 1 | 2 | 3 | 33% | 67% |
| Executive Director | 1 | 0 | 1 | 100% | 0% |
| Group Chief Executive Officer | 1 | 0 | 1 | 100% | 0% |
| Non-Executive Directors | 2 | 2 | 4 | 50% | 50% |
| Total | 5 | 5 | 10 | 50% | 50% |

**The Group**

The average number and percentage of males and females employed during the period ended December 31, 2024, within the Group is as follows:

**Detailed Gender analysis in terms of Board and Top Management as at December 31, 2024 is as follows:**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Employees | 3,060 | 2,924 | 5,984 | 51% | 49% |

**Gender analysis in terms of Board and Top Management as at December 31, 2024 is as follows:**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Board | 38 | 26 | 64 | 59% | 41% |
| Top Management | 36 | 25 | 61 | 59% | 41% |
| Total | 74 | 51 | 125 | 59% | 41% |

**Detailed Gender analysis in terms of Board and Top Management as at December 31, 2024 is as follows:**

| | Male | Female | Total | Male | Female |
|---|---|---|---|---|---|
| | Number | | | % | |
| Assistant General Manager | 13 | 10 | 23 | 57% | 43% |
| Deputy General Manager | 14 | 8 | 22 | 64% | 36% |
| General Manager | 8 | 7 | 15 | 53% | 47% |
| Executive Director | 13 | 5 | 18 | 72% | 28% |
| Group Chief Executive Officer | 1 | 0 | 1 | 100% | 0% |
| Non-Executive Director | 25 | 21 | 46 | 54% | 46% |
| Total | 74 | 51 | 125 | 59% | 41% |

## Human Resources Policy

### (1) Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to Board and Top Management positions in compliance with the relevant regulatory requirements. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments are duly implemented.

### (2) Diversity and Inclusion

The Company treats all employees, prospective employees and customers fairly and equally, regardless of their gender, family status, race, colour, nationality, ethnic or national origin, religious belief, age, physical or mental disability, or any such factor.

The Company seeks to maintain a minimum of 40% female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, "Board" refers to Group Chief Executive Officer, Executive Directors and Non-Executive Directors while "Top Management" refers to General Manager, Deputy General Manager and Assistant General Manager grades.

### (3) Employment of Physically Challenged Persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons.

In the event of any employee becoming physically challenged in the course of employment, where possible, the Company is in a position to arrange training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. In the year under review, the Company had three persons on its staff list with physical challenges.

### (4) Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being through various fora including town hall meetings. To this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests, with a view to making input to decisions thereon.

The Company places a high premium on the development of its workforce. Consequently, the Company sponsored its employees for various training courses, both locally and overseas, in the year under review. The Company has also gone into partnership with leading executive education business schools in Europe and North America to deliver world-class technical and leadership training to employees in Nigeria.

**(5) Health, Safety and Welfare of Employees**

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense. In line with the status of the Company as a family-friendly organisation, we operate a crèche facility and a state-of-the-art gymnasium for staff. This is in addition to the registration of staff members at fitness centres and social clubs within their vicinity towards achieving employee wellness.

The Company has in place a number of training programmes, workshops and enlightenment programmes/ publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company operates a Group Life and Group Personal Accident Insurance and Employee Compensation Act contributions for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014 as well as a terminal gratuity scheme for its employees.

**BY ORDER OF THE BOARD**

**ERHI OBEBEDUO**
Group General Counsel/
Company Secretary
FRC/2017/NBA/00000016024
Plot 635, Akin Adesola Street, Victoria Island, Lagos
January 28, 2025

# 2024 Corporate Governance Statement

Corporate governance encompasses the relationships among a company's senior management, board of directors, shareholders, and other stakeholders, including employees and their representatives. It defines the framework for establishing company objectives, formulating strategies to meet them, and evaluating progress. Strong corporate governance is marked by structured decision-making processes, clearly defined roles and responsibilities, the avoidance of conflicts of interest, and the implementation of effective internal controls, risk management, transparency, and accountability.

Guaranty Trust Holding Company Plc ("GTCO" or "Company") is a public limited liability company and the parent company of the GTCO Group (comprising GTCO and its subsidiaries). GTCO's shares are listed on the Nigerian Exchange Limited (NGX) and its Global Depository Receipts (GDRs) are admitted to trading on the London Stock Exchange. GTCO remains dedicated to its pledge to safeguard and increase investors' value through transparent corporate governance practices.

## Codes and Regulations

GTCO operates in highly regulated markets and compliance with applicable legislations, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. As a responsible corporate citizen, the Company complies with the requirements of the Central Bank of Nigeria ("CBN") in line with defined corporate governance practices and submits reports on the Company's compliance status to the CBN. The Board monitors compliance with these regulations by means of management reports, which include information on the outcome of any significant interaction with key stakeholders such as regulators. The Group complies with all applicable legislations, regulations, standards and codes.

The Company's Code of Corporate Governance provides a robust framework for the governance of the Board and the Company.

This Corporate Governance Statement describes GTCO's approach to the key elements of corporate governance and is prepared in accordance with the legal and regulatory requirements of the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission ("the SEC Code"), the Corporate Governance Guidelines for Financial Holding Companies in Nigeria issued by the Central Bank of Nigeria ("the CBN Guidelines") in July 2023, the Financial Reporting Council's Nigerian Code of Corporate Governance, 2018 ("the NCCG"), as well as disclosure requirements under the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), United Kingdom, which are applicable to non-United Kingdom companies with GDRs listed on the Official List of the FCA and admitted to trading on the London Stock Exchange.

## Corporate Governance Structure

The Company and the Group operate within a governance structure that allows the Board to balance its duties of oversight and providing strategic guidance, while also ensuring adherence to regulatory standards, Group policies, and acceptable risk levels.

The Company's corporate governance framework is thorough and appropriate for the size, scope, and diversity of its operations, ensuring effective management in line with sound business practices. The Board holds the responsibility for overseeing the management and proper organisation of the Group's operations, while the Group Chief Executive Officer handles the day-to-day executive management. The focus is on the Board fulfilling its role within GTCO's corporate governance structure and collaborating with other governing bodies to maintain robust corporate governance. This includes systems for internal control, risk management, and financial reporting. The corporate governance framework and the duties of GTCO's governing bodies are defined by both internal policies and external regulations. The external framework governing corporate governance includes SEC Code, the CBN Guidelines and the NCCG.

GTCO's direct subsidiaries are Guaranty Trust Bank Limited, Guaranty Trust Fund Managers Limited, Guaranty Trust Pension Managers Limited, and HabariPay Limited. Each subsidiary has its own independent board, which considers the specific legal and regulatory obligations relevant to their respective operations.

These subsidiaries function within governance structures that empower their boards to provide oversight and strategic direction, while ensuring compliance with the applicable regulatory requirements and the Company's established standards and risk tolerance levels. Their governance frameworks are aligned with that of GTCO.

As the parent company of the Group, the Board of GTCO also serves as the Group's Board, overseeing all activities across the subsidiaries. To assist in fulfilling its objectives, the Board has established several committees, each with defined roles and responsibilities outlined in their Charters. These Charters are periodically reviewed to maintain their relevance and detail the committees' duties, authority, composition, and reporting procedures.

## Governance Activities

During the 2024 financial year, the Company executed various governance activities which included; the reconstitution of the defunct Board Risk Management and Audit Committee into two standalone Committees namely; the Board Audit Committee and Board Risk Management and Investment Committee; and the preparation of Charters of the two new Committees in order to align with the CBN Guidelines. The Company also reviewed its governance documents i.e. Board and Committee Charters and the Code of Corporate Governance, in order to align these documents with the CBN Guidelines. The Board and its Committees also carried out annual self-assessments to review compliance with the terms of reference as contained in their respective Charters.

## The Board

The Board is responsible for overseeing GTCO's operations, and managing the overall affairs of the GTCO Group in line with both external and internal frameworks, as well as its Charter.

It is the Board's duty to ensure that GTCO's legal and organisational structure is clear, appropriate, and transparent, with well-defined functions and responsibilities that promote sound governance, avoid unnecessary complexity, and allow for effective oversight, thus actively contributing to developing the Group as a focused, sustainable and global brand.

The Board consistently monitors GTCO's business growth, and financial health. Additionally, the Board regularly reviews and updates the governance, sustainability and control policies and internal regulations it has established. It ensures that an appropriate level of checks and balances is maintained, in order to ensure that decisions are taken with the best interest of the Company's stakeholders in mind.

The Board of Directors is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business, thereby safeguarding the interests of all stakeholders. The Board has put in place a robust appointment and effective succession planning framework to ensure that we continue to have the right people to drive the business of the Company in the desired direction.

## Appointment Principles

The Company ensures compliance with all relevant laws and regulations, including but not limited to the requirements set by the CBN, the SEC Code, the NCCG, the Companies and Allied Matters Act (CAMA), as well as the Company's Charters and Code of Corporate Governance.

In selecting Directors and key executives, careful consideration is given to adherence to legal and regulatory standards, including the review of external board appointments to prevent conflicts of interest and ensure that Directors can dedicate adequate attention to the Company's affairs.

The Board evaluates the skills, knowledge, experience, and other necessary qualities of candidates to ensure they are suited for the role.

## Skills, Knowledge, and Experience of Directors

The Board is made up of seasoned professionals, who have excelled in various sectors and offer a well-rounded blend of qualities to the board, including:

- both international and local experience,
- operational expertise,
- insights into macroeconomic and microeconomic factors impacting the Group,
- local expertise and networks, and
- skills in finance, energy, economics, and banking.

Directors of the Company possess the right balance of expertise, skills and experience, translating to an effective Board and an Executive Management team capable of steering the affairs of the Company in an ever changing and challenging environment.

The Board has a good understanding of the Group's businesses and affairs to enable them properly evaluate information and responses provided by Management, and to provide objective challenge to management. Directors are also prepared to challenge each other's assumptions, beliefs or viewpoints as necessary for the good of the Company and question intelligently, debate constructively and make decisions dispassionately.

The Board's qualifications and demographic composition are periodically assessed to ensure they remain aligned with the operational and strategic needs of the Company.

## Board Committees

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through four (4) Standing Committees, namely; Board Risk Management and Investment Committee, Board Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy Committee. In addition to the Board Committees, the Statutory Audit Committee of the Company also performs its statutory role as stipulated by the CAMA. In line with the provisions of the CBN Guidelines, the Committees have been reconstituted to meet the new requirements.

## Board Structure and Composition

Two (2) of the Non-Executive Directors are "Independent Directors", appointed based on the criteria laid down by the CBN for the appointment of Independent Directors and in accordance with the requirements of the NCCG. In compliance with requirements of the CAMA, the Company has approved the appointment of the third Independent Non-Executive Director and appropriate announcements will be made upon receipt of relevant regulatory approvals. The Independent Directors do not have any significant shareholding interest or any special business relationship with the Company.

The Board meets quarterly, and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Company.

The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

The Board met four (4) times during the year ended December 31, 2024.

The details of the appointment and tenure of the Board of Directors are stated below:

| S/N | Name of Director | Date of Appointment to Board | Status |
|---|---|---|---|
| 1 | Mr. H. A. Oyinlola | August 1, 2021 | Current Member |
| 2 | Mr. J. K. Agbaje | August 1, 2021 | Current Member |
| 3 | Mr. S. Barau | August 1, 2021 | Current Member |
| 4 | Mrs. H.L. Bouygues | August 1, 2021 | Current Member |
| 5 | Mrs. C. N. Echeozo | August 1, 2021 | Current Member |
| 6 | Mr. A. I. Adeniyi | August 1, 2021 | Current Member |

## Responsibilities of the Board

The Board Charter outlines the terms of reference that define the Board's responsibilities. These responsibilities include:

- Setting the Company's objectives, strategies, and plans to achieve those goals.
- Reviewing the corporate governance process and evaluating progress toward objectives.
- Establishing the terms of reference and procedures for all Board Committees, as well as reviewing their reports and minutes.
- Approving the Remuneration Policy.
- Assessing and evaluating reports submitted by the Executive Team.
- Ensuring the existence and maintenance of an effective risk management process across the Company and its subsidiaries, safeguarding financial integrity and the Group's assets.
- Monitoring the performance of the Group Chief Executive and the Executive Team.
- Ensuring the presence of a robust budgeting and planning process, measuring performance against these plans, and approving the Group's annual budget.
- Approving major acquisitions, mergers, takeovers, divestments of operating companies, equity investments, and new strategic alliances within the Group.
- Reviewing and approving significant changes to accounting policies or practices, and considering recommendations from the Statutory Audit Committee.
- Reviewing and approving the annual financial statements, quarterly results, dividend announcements, and shareholder communications, as well as assessing the Group's ability to continue as a going concern based on the Audit Committee's recommendation.
- Taking ultimate responsibility for the Group's financial, operational, and internal control systems, ensuring proper reporting by delegated committees.
- Holding ultimate responsibility for regulatory compliance and ensuring comprehensive management reporting to the Board.
- Ensuring a clear and balanced assessment of the Group's status in communications with stakeholders.
- Reviewing non-financial matters that have not been specifically assigned to a management committee.
- Recommending to shareholders the appointment or removal of Auditors and the remuneration of Auditors.

- Approving resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectuses and principal regulatory filings with regulatory authorities.

## Delegation of Authority

The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls.

The Board has delegated the responsibility for the day-to-day operations of the Company to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, in relation to the achievement of the Group's strategic objectives and good financial performance.

## Roles of Chairman and Group Chief Executive Officer

The roles of the Chairman and Group Chief Executive Officer are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Group. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Board has delegated the responsibility for the day-to-day management of the Company to the Group Chief Executive Officer, who is supported by Executive Management. The Group Chief Executive Officer executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

## Director Nomination Process

The Board Governance, Nominations and Remuneration Committee is charged with the responsibility of leading the process for Board appointments and for identifying and nominating suitable candidates for the approval of the Board.

With respect to new appointments, the Board Governance, Nominations and Remuneration Committee identifies, reviews and recommends candidates for potential appointment as Directors. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the shareholders and the CBN.

## Induction and Continuous Training

To enable a good understanding of GTCO's organisation and structure, business model, risk profile and governance arrangements, new Board members participate in an induction programme, within the regulatory prescribed timeline, covering, among other things, areas related to GTCO's structure and business model, risk profile, governance, Board responsibilities, business strategy, financials and risk management as well as relevant laws and regulations. Depending on the individual needs of the Board members, further training on specific subjects is arranged in order to maintain and deepen relevant knowledge. The induction, which is arranged by the Group Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Company's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities.

Board members also receive annual training based on their individual and collective needs as well as regulatory and supervisory requirements. The annual training plan is designed to cover the key risk areas of GTCO and ensure up-to-date knowledge of identified relevant knowledge areas and also to enhance their performance on the Board and the various committees to which they belong. The Company's Non-Executive Directors attended foreign and local courses during the year ended December 31, 2024, which included " Becoming a Leader of Leaders" (University of Pennsylvania Wharton Executive Education), "Managing Risk and Reputation in a Complex World" (Stanford Business School of Graduate Studies), "ESG, Impact and Sustainable Investing, Infrastructure and Project Finance" (Euromoney Learning), "Strategies for Leading Successful Change Programme" (Harvard University's Division of Continuing Education).

## Board Evaluation and Appraisal

The Board is focused on continued improvements in its corporate governance performance and effectiveness. The Company also conducted an Annual Board and Directors' Evaluation and Appraisal covering all aspects of the Boards' structure, composition, responsibilities, processes and relationships, in compliance with the requirements of the CBN and NCCG Codes. To conduct the Annual Board Evaluation and Appraisal for the financial year ended December 31, 2024, the Board engaged the consultancy firm of Deloitte & Touche.

The independent Consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the Board Committees and Directors. The Board Evaluation and Appraisal Report for the financial year ended December 31, 2024, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the CBN Guidelines and the NCCG. The Evaluation and Appraisal Report was reviewed by the External Auditors in line with the provisions of CBN Guidelines and will be presented to shareholders at this Annual General Meeting of the Company.

## Changes on the Board

In the course of the financial year ended December 31, 2024, there was no change on the Board.

### Retirement by Rotation

The provisions of Article 84 of the Articles of Association of the Company require one third of the Directors (excluding Executive Directors) or if their number is not a multiple of three, the number nearest to but not greater than one third, to retire from office at each biennial Annual General Meeting. In view of the fact that two (2) Directors retired at the 3rd Annual General Meeting, no Director would be retiring by rotation at the 4th Annual General Meeting.

### Non-Executive Directors' Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the CBN Guidelines which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and incidental expenses. The Non-Executive Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors, such sums as shall be approved by shareholders at the Annual General Meeting.

Details of remuneration paid to Executive and Non-Executive Directors is contained in Note 44i of this report.

## Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has four (4) Standing Committees in addition to the Statutory Audit Committee of the Company, namely; Board Risk Management and Investment Committee, Board Audit Committee, Board Governance, Nominations and Remuneration Committee and Board Information Technology Strategy Committee.

Through these Committees, the Board is able to effectively carry out its oversight responsibilities and take advantage of individual expertise to formulate strategies for the Company and its Subsidiaries. The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the Charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

## Board Risk Management and Investment Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies without prejudice to the statutory Investment Committee established in compliance with CAMA, which is not considered a board committee.

The terms of reference of the Board Risk Management and Investment Committee includes to:

- Review and recommend for the approval of the Board, the Company's risk management policies including the risk profile and limits;
- Determine the adequacy and effectiveness of the Company's risk detection and measurement systems and controls;
- Oversee Management's process for the identification of significant risks across the Company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- Review and recommend to the Board for approval, the contingency plan for specific risks;
- Review the Company's compliance level with applicable laws and regulatory requirements which may impact on Company's risk profile;
- Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- To have oversight functions over the Company's investment strategies;
- To recommend to the Board investment strategies in line with Investment Regulations issued by the Central Bank of Nigeria;
- To monitor and oversee the implementation of the Company's investment strategy;

- To establish the Company's investment objectives and policies;
- To determine an optimal investment mix, consistent with the risk profile approved by the Board of Directors;
- To ensure due diligence in the selection and approval of investments;
- To review periodically the Company's investment policies and procedures; and
- Handle any other issue referred to the Committee from time to time by the Board.

The Head of Risk and Compliance of the Company presents regular briefings to the Committee at its meetings.

The Committee is required to meet quarterly and additional meetings are to be convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

The Board Risk Management and Investment Committee comprised the following members during the year under review:

| S/N | Name | Status | Designation | Dates of Attendance |
|---|---|---|---|---|
| 1 | Mrs. C. N. Echeozo | Non-Executive Director | Chairman | 29-Jan-2024*<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 2 | Mr. J. K. Agbaje | Group Chief Executive Officer | Member | 29-Jan-2024*<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 3 | Mrs. H. L. Bouygues | Non-Executive (Independent) Director | Member | 29-Jan-2024*<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 4 | Mr. A. I. Adeniyi | Executive Director | Member | 29-Jan-2024*<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |

*The attendance at the January meeting reflects the attendance for the defunct Board Risk Management and Audit Committee, which was dissolved and reconstituted as Board Risk Management and Investment Committee in line with the provisions of the CBN Guidelines.

## Board Audit Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies and has oversight of audit functions, without prejudice to the Statutory Audit Committee established in compliance with CAMA, which is not considered a board committee.

The Terms of Reference of the Board Audit Committee includes to:

- Evaluate the Group's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Company and its Subsidiaries;
- Keep the effectiveness of the Company's system of accounting, reporting and internal control under review and to ensure compliance with legal and agreed ethical requirements;
- Review the activities, findings, conclusions and recommendations of the external auditors relating to the Company's annual audited financial statements;
- Review the Management Letter of the External Auditor and Management's response thereto;
- Review the appropriateness and completeness of the Company's statutory accounts and its other published financial statements;
- Oversee the independence of the External Auditors;
- Receive a summary of whistleblowing cases reported and the result of the investigation from the Head of Internal Audit;
- Handle any other issue referred to the Committee from time to time by the Board.

The Head of Internal Audit of the Company presents regular briefings to the Committee at its meetings.

The Committee meets quarterly and additional meetings are convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

The Board Audit Committee comprised the following members during the year under review:

| S/N | Name | Status | Designation | Dates of Attendance |
|---|---|---|---|---|
| 1 | Mr. S. Barau | Non-Executive (Independent) Director | Chairman | 25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 2 | Mrs. H. L. Bouygues | Non-Executive (Independent) Director | Member | 29-Jan-2024*<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 3 | Mrs. C. N. Echeozo | Non-Executive Director | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |

*The attendance at the January meeting reflects the attendance for the defunct Board Risk Management and Audit Committee, which was dissolved and reconstituted as Board Risk Management and Investment Committee in line with the provisions of the CBN Guidelines.

*The Board Audit Committee was established in January 2024, pursuant to the requirement of the CBN Guidelines.

## Board Governance, Nominations and Remuneration Committee

This Committee is responsible for the approval of human resource matters, identification and nomination of candidates for appointment to the Board and Board governance issues such as induction and continuous education, approval of the promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions. The Committee is also responsible for setting the principles and parameters of the Remuneration Policy across the Company and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the Company.

The Committee has oversight on strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters.

The Committee meets quarterly, and additional meetings are convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

The membership of the Committee is as follows:

| S/N | Name | Status | Designation | Dates of Attendance |
|---|---|---|---|---|
| 1 | Mr. S. Barau | Non-Executive (Independent) Director | Chairman | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 2 | Mrs. H. L. Bouygues | Non-Executive (Independent) Director | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 3 | Mrs. C. N. Echeozo | Non-Executive Director | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |

## Board Information Technology Strategy Committee

The Board Information Technology Strategy Committee is responsible for the provision of strategic guidance to Management on Information Technology issues and monitoring the effectiveness and efficiency of Information Technology within the Group and the adequacy of controls.

The Terms of Reference of the Board Information Technology Strategy Committee include to:

- provide advice on the strategic direction of Information Technology issues in the Group;
- inform and advise the Board on important Information Technology issues in the Group;
- monitor overall Information Technology performance and practices in the Group.

The Board Information Technology Strategy Committee comprised the following members during the year under review:

| S/N | Name | Status | Designation | Dates of Attendance |
|---|---|---|---|---|
| 1 | Mrs. H. L. Bouygues | Non-Executive (Independent) Director | Chairman | 25-Apr-2024<br>28-Oct-2024 |
| 2 | Mr J. K. Agbaje | Group Chief Executive Officer | Member | 25-Apr-2024<br>28-Oct-2024 |
| 3 | Mrs. C. N. Echeozo | Non-Executive Director | Member | 25-Apr-2024<br>28-Oct-2024 |

The Committee meets bi-annually and additional meetings are convened as required. The Committee met twice during the financial year ended December 31, 2024.

## Statutory Audit Committee

This Committee is responsible for ensuring that the Company complies with all the relevant policies and procedures both from the regulators and as laid down by the Board of Directors. Its major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and External Auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

The Committee reviews the Company's annual and half-year audited financial statements, particularly the effectiveness of the Company's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the Company's results.

The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the External Auditors. The Committee reviews and ensures that adequate whistleblowing procedures are in place and that a summary of issues reported are highlighted to the Committee in addition to reviewing the independence of the External Auditors and ensuring that where non-audit services are provided by the External Auditors, there is no conflict of interest. The Committee has access to the External Auditors to seek explanations and additional information, while the internal and External Auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of two (2) Non-Executive Directors and three (3) Shareholders of the Company appointed by members at the Annual General Meeting. The membership of the Committee at the Board level is based on relevant experience of the Board members, while one of the Shareholders serves as the Chairman of the Committee.

The internal and External Auditors are invited from time to time to attend the Meetings of the Committee. The Chief Financial Officer and appropriate members of Management also attend the meetings upon invitation. The Committee is required to meet quarterly and additional meetings may be convened as the need arises.

The Statutory Audit Committee of the Company met four (4) times during the year. The following members served on the Committee during the year ended December 31, 2024:

| S/N | Name | Status | Designation | Dates of Attendance |
|---|---|---|---|---|
| 1 | Mrs. S. O. J. Mbagwu-Fagbemi | Shareholders' Representative | Chairman | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 2 | Alhaji M. A. Usman | Shareholders' Representative | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 3 | Mrs. A. Kuye | Shareholders' Representative | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 4 | Mrs. C. N. Echeozo | Non-Executive Director | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |
| 5 | Mrs. H. L. Bouygues | Non-Executive (Independent) Director | Member | 29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024 |

**Attendance of Board and Board Committee Meetings**

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the year ended December 31, 2024.

| S/N | Directors | Board | Board Risk Management and Investment Committee | Board Audit Committee | Board Governance, Nominations and Remuneration Committee | Board Information Technology Strategy |
|---|---|---|---|---|---|---|
| | **Date of Meetings** | **30-Jan-2024<br>26-Apr-2024<br>30-Jul-2024<br>29-Oct-2024** | **29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024** | **29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024** | **29-Jan-2024<br>25-Apr-2024<br>29-Jul-2024<br>28-Oct-2024** | **25-Apr-2024<br>28-Oct-2024** |
| | **Number of Meetings** | **4** | **4** | **4** | **4** | **2** |
| 1 | Mr. H. A. Oyinlola[1] | 4 | N/A | N/A | N/A | N/A |
| 2 | Mr. J. K. Agbaje | 4 | 4 | N/A | N/A | 2 |
| 3 | Mr. S. Barau | 4 | N/A | 3 | 4 | N/A |
| 4 | Mrs. H. L. Bouygues | 4 | 4 | 4 | 4 | 2 |
| 5 | Mrs. C. N. Echeozo | 4 | 4 | 4 | 4 | 2 |
| 6 | Mr. A. I. Adeniyi | 4 | 4 | N/A | N/A | N/A |

[1] The Chairman is not a member of any Committee in compliance with the CBN Guidelines which prohibits the chairman of the Board from being a member of any Committee.

N/A -Not Applicable

## Tenure of Directors

In order to ensure both continuity and injection of fresh ideas, the tenure for Non-Executive Directors is limited to a maximum of two (2) terms of three (3) years each, i.e. six (6) years whilst the maximum tenure for Independent Non-Executive Directors is limited to a maximum of two (2) terms of three (3) years each, i.e. six (6) years. This is in compliance with the directives of the CBN and NCCG.

## Board Evaluation and Appraisal

In the Company's customary manner of imbibing the best corporate governance practices, the Board engaged an Independent Consultant, Deloitte & Touche, to carry out the annual Board and Directors appraisal for the 2024 financial year. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the CBN and SEC Codes.

The Annual Board and Director Evaluation and Appraisal Report for the 2024 financial year will be presented to shareholders at the 4th Annual General Meeting of the Company.

## Shareholders

The General Meeting of the Company is the highest decision-making body of the Company. The Company's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company. The Annual General Meeting is attended by representatives of regulators such as the CBN, the SEC, the NGX, the Corporate Affairs Commission as well as representatives of shareholders' associations.

The Company has an Investors Relations Unit, which deals directly with enquiries from shareholders and ensures that shareholders' views are escalated to Management and the Board. In addition, quarterly, half-yearly and annual financial results are published in widely read national newspapers.

The Company ensures that institutional investors and international holders of the GDRs get frequent updates on the Company's progress via interactive conference calls, local and international investor presentations and meetings. These conference calls and investor meetings provide our investors with direct access to Senior and Executive Management.

## Shareholders' Responsibilities

The Shareholders' role is to approve appointments to the Board of Directors, payment of Dividend, remuneration of managers, appointment of shareholder members of the Audit Committee and the external auditors as well as to grant approval for certain corporate actions that are by legislations or the Company's articles of association specifically reserved for shareholders. Their role is extended to holding the Board accountable and responsible for efficient and effective corporate governance.

## Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at General Meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

## Communication Policy

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, http://www.gtcoplc.com. The website is constantly updated with information as events occur.

The website also has an Investors Relations portal where the Company's financial Reports and other relevant information about the Company is published and made accessible to its shareholders, stakeholders and the public.

The main objective of the Company's Communication Policy is to support the Company in achieving the overall goals described in the Company's core values which strengthens the Company's culture of transparency in pursuit of best corporate governance practices.

In order to reach its overall goal on information dissemination, the Company is guided by the following principles:

(i) **Compliance with Rules and Regulations:** The Company complies with the legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Banks and other Financial Institutions Act (BOFIA), the Companies and Allied Matters Act (CAMA) and the Codes of Corporate Governance issued by the Central Bank of Nigeria, the Nigeria Code of Corporate Governance issued by the Financial Reporting Council, the Securities and Exchange Commission, as well as the Disclosure Guidance and Transparency Rules by virtue of the admission of the Company's GDRs on the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange;

(ii) **Efficiency:** The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. Synergies are sought when it comes to using different communication channels. The Company replies without unnecessary delay to information requests by the media and the public;

**(iii) Transparency:** As an international financial institution, the Company strives in its communication to be as transparent and open as possible while considering the concept of confidentiality between the Company and its subsidiaries. This contributes to maintaining a high level of accountability;

**(iv) Pro-activity:** The Company proactively develops contacts with its target groups and identifies topics of possible mutual interest;

**(v) Clarity:** The Company aims at clarity, i.e. to send uniform and clear messages on key issues;

**(vi) Cultural awareness:** As an international financial institution, the Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment;

**(vii) Feedback:** The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used to fine-tune communication activities.

## Information Flow

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

## The Group Company Secretary

The Group Company Secretary provides a point of reference and support for all Directors. The Group Company Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Group Company Secretary is also responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance of the Company, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Group Chief Executive Officer to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board discussions and decisions.

Independent professional advice is available, on request, to all Directors at the Company's expense when such advice is required to enable a Member of the Board effectively perform as required.

The Company meets the costs of independent professional advice obtained jointly or severally by a Director or Directors where such advice is necessary to enable the obligations imposed on an individual, through membership of the Board, to be properly fulfilled.

## Share Dealing Policy

The Company has in place a policy regarding trading in its shares by its Directors and employees within the Group on the terms and conditions as required by the NGX and the London Stock Exchange. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations thereunder.

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company during a "lock up" period automatically commencing from the beginning of every quarter or from the date of receipt of such insider information (whichever is earlier) until such a period when the information is released to the public or any other period as defined by the Company from time to time.

In addition to the above, the Company makes necessary disclosure as required under Rule 111 of the SEC Rules and Regulations which stipulates that Directors and Top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity.

The Directors of the Company comply strictly with the laid down procedure and policy regarding trading in the Company's shares.

## Management Committees

These are Committees comprising senior management staff of the Company. The Committees are risk-driven as they are basically set up to identify, analyse, synthesise and make recommendations on risks arising from day to day activities of the Company. They also ensure that risk limits as contained in the Board and regulatory policies are complied with at all times. They provide input for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers.

The standing Management Committees in the Company are:

i. Data Steering;

ii. Information Technology;

iii. Risk, Compliance and Investment.

## Data Steering Committee

This Committee is responsible for ensuring that the Group leverages data analytics to drive value and make business decisions through the development and implementation of Use Cases. It is also responsible for ensuring strong ownership and buy-in of data and analytics activities by business units. Lastly, to capture economies of scale, it is responsible for centralising talent-data scientists and engineers and deploying them across the Group as needed.

## Information Technology (IT) Steering Committee

This Committee is responsible for ensuring there is a standardised information technology management approach across the Group, consistent high IT performance across the Group such as application development and maintenance, service quality etc and delivering economies of scale through shared IT infrastructure and services. The Committee provides inputs for the Board Information Technology and Strategy Committee and ensures that the decisions and policies emanating from the Committee's meetings are implemented.

## Risk, Compliance and Investment Committee

This Committee is responsible for safeguarding the Group against internal and external material surprises. It oversees risk, investment strategy, information security and compliance with regulatory requirements of the Group's activities. Each Subsidiary has a head of risk and a head of compliance who are responsible for the day-to-day management of risk and compliance. The Committee provides inputs for the Board Risk Management and Investment Committee and ensures that the decisions and polices emanating from the Committee's meeting are implemented.

## Monitoring Compliance with Corporate Governance

The Head, Risk and Compliance monitors compliance with money laundering requirements within the Group and the implementation of the Corporate Governance Code of the Company.

The Group Company Secretary and the Head, Risk and Compliance forward regular returns to the Central Bank of Nigeria on all whistleblowing reports and corporate governance breaches.

## Whistleblowing Procedures

The Company complies with the principles set out in the CBN Whistleblowing Guidelines. The Company has also established a whistleblowing procedure that ensures anonymity for whistleblowers, this is well documented in its whistleblowing policy on the Company's website.

## Code of Conduct

The Company has an internal Code of Professional Conduct for Employees ("the Company's Code") which all members of staff subscribe to upon assumption of duties. Staff are also required to reaffirm their commitment to the Company's Code on an annual basis.

All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Company's Code which prescribes the common ethical standards, policies and procedures of the Company relating to employee values. The Company also has a Code of Conduct for Directors.

## Human Resources Policy

The Human Resources Policy of the Company is contained in the Directors' Report on page …… of this Annual Report.

## Employee Share-ownership Scheme

The Company has in place an employee share ownership scheme called the Staff Investment Trust (SIT) scheme for the Company and its subsidiaries. The Scheme is authorised to hold up to a specified percentage of ordinary shares of the Company for the benefit of eligible employees of the Company and its subsidiaries.

## Internal Management Structure

The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

## Service and Related Party Contracts

As part of the need to efficiently synergize, avoid unnecessary duplication of functions and to achieve the efficient harmonization of resources for optimum performance in the Group, the Company has put in place Shared Services Agreements with all its subsidiaries, i.e. Guaranty Trust Bank Limited, Guaranty Trust Fund Managers Limited, Guaranty Trust Pension Limited and HabariPay Limited. These agreements are in line with the Central Bank of Nigeria's Guidelines for Shared Services Arrangement for Banks and Other Financial Institutions issued in May 2021.

The Shared Services Agreements were approved by the Boards of the Company and its respective subsidiaries.

The services shared include:

a) Information Technology
b) Legal Services
c) Talent Management
d) Facilities Management and
e) Corporate Communications

The services shared enable the Group to achieve the following:

a) Increased efficiency, eliminate redundancies, and increase productivity.

b) Enhance the quality of the Group's services by sharing best practices, technical knowledge, and operational support.

c) Improves cost savings

d) Achieve the overall mission and vision of the Group.

## Donations and Charitable gifts

In order to identify with the aspirations of various sections of the society, the Group donated a total sum of ₦962,623,489 (December 31 2023: ₦489,032,418) as donations and charitable contributions during the year. It comprises contributions to Educational organisations, Art and Cultural organisations, and Professional organisations amongst others.

A listing of the beneficiary organisations and the amounts donated to them is shown in the table:

| SECTOR | BENEFICIARY/PROJECT | AMOUNT (₦) |
|---|---|---|
| **Community Development** | Support for 43rd Annual International Scientific Conference | 2,000,000 |
| | Support for Climate Summit | 1,000,000 |
| | Support for Housing Exhibition | 5,000,000 |
| | Support for Punuka Foundation Annual Walk for Special Children | 2,350,000 |
| | Support for Security | 100,000,000 |
| | Support for The Cause of Raising Awareness About Consumer Rights and Needs | 1,000,000 |
| | Support for The Special Needs Community Cause | 2,000,000 |
| | Provision of Healthcare in Partnership with Swiss Red Cross | 140,610,510 |
| | Support for Wellness Wonderland | 1,000,000 |
| | Support to The CIC Alumni Foundation | 500,000 |
| | Support for National Conference By APKMN | 2,000,000 |
| | Annual Autism Program (The GTCO Orange Ribbon Initiative) | 208,697,110 |
| | Support for the 17th Annual Banking & Finance Conference | 40,000,000 |
| | Support for The Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) | 2,000,000 |
| | Support for The Vocational Centre At Amuwo Odofin | 3,000,000 |
| | Financial Literacy and Public Enlightenment Awareness Campaign by Bankers Committee. | 40,886,583 |
| | Support for Flood Disaster in Borno State | 25,000,000 |
| | Support for The Global Economic Summit | 1,000,000 |
| | Support for Optimal Orphanage Home | 2,000,000 |
| | Support for Lagos PR Summit | 2,000,000 |
| | Support for Transportation | 250,000,000 |
| | Association of Professional Women Bankers | 2,000,000 |
| | Support for Bankers Committee Retreat | 6,361,286 |
| | Support for Annual Banking Dinner | 15,000,000 |
| | Support for 2024 Nigerian Red Cross Gala Night. | 15,000,000 |
| **Education** | Support for Book Reading Session at The You Read Library for Children's Day | 2,538,785 |
| | Sponsorship for School Sports | 2,100,000 |
| | Support for Children's Day Initiative | 1,495,710 |
| | Support for School Extra Curricular Activities | 14,071,225 |
| | Support for Polo Sports Tournament | 60,415,000 |
| | Support for The World Savings Day | 839,780 |
| | Support for Chess Week | 2,000,000 |
| | Support for Charity Art Exhibition by Visual Arts Child Prodigy | 2,000,000 |
| | Support for Lagos Old Student Association | 5,000,000 |
| **Others** | Others | 1,757,500 |
| **Grand Total** | | **962,623,489** |

**Deloitte.**

Deloitte & Touche
Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island
Lagos, Nigeria.
Tel: +234 1 2717800
Fax: +234 1 2717801
www.deloitte.com/ng

1 March 2025

The Shareholders
Guaranty Trust Holding Company PLC
Plot 635, Akin Adesola Street
Victoria Island
Lagos

Dear Sir,

**Report of the Independent Consultants on the Review of the Corporate Governance Framework and Performance of the Board of Directors of Guaranty Trust Holding Company PLC**

Deloitte & Touche has performed the annual review of the corporate governance framework and evaluation of the performance of the Board of Directors of Guaranty Trust Holding Company PLC ("GTCO") for the year ended 31 December 2024. The scope of the review included an assessment of the structure, mandate and performance of the Board, Board Committees and Management as it relates to the overall strategic direction of the company, stakeholder engagement, disclosures, and transparency.

The review was performed in compliance with the Corporate Governance Guidelines for Financial Holding Companies issued by the Central Bank of Nigeria ("CBN CG Guidelines for FHCs") and the Nigerian Code of Corporate Governance ("NCCG"). The scope of the review included an assessment of key areas of GTCO's corporate governance framework, including the framework of the Board structure and composition, Board operations and effectiveness, assurance functions, corporate disclosures, and relationship with stakeholders. Our evaluation report was premised on desk review of relevant governance documents, policies, and procedures, interview sessions with Directors and select members of executive management and survey responses received from the Directors.

The result of our evaluation has shown that the Board and Corporate Governance framework and practices in GTCO comply with the provisions of the extant Codes of Corporate Governance. We also ascertained that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in GTCO. The report further highlights details of our review activities, observations and some recommendations for the Board and Executive Management's action for sustained improvement to the performance of the Board, Corporate Governance and Secretarial functions of GTCO.

It should be noted that the matters raised in this report are only those that came to our attention during 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/PRO/00000020765
Partner

# Abridged **Sustainability Report**

## At GTCO, sustainability is more than a strategic priority — it is embedded in the way we do business.

For instance, our initiative to transition our branches to solar energy has already resulted in a 15% reduction in our carbon footprint, demonstrating our commitment to environmental stewardship in tangible ways. We believe that long-term value creation is not just about financial performance but also about the positive impact we have on our people, communities, and the environment.

As a leading financial services provider, we integrate sustainability into our operations, balancing economic growth with social responsibility and environmental stewardship. Our responsible banking approach ensures that every decision we make aligns with global best practices, including the **IFC Performance Standards and Central Bank of Nigeria's Nigerian Sustainable Banking Principles (NSBP).**

This report highlights our progress across four key pillars: Marketplace, Workplace, Community, and Environment—demonstrating our unwavering commitment to fostering economic empowerment, enhancing employee well-being, enriching communities, and championing environmental sustainability.

MARKETPLACE

WORKPLACE

COMMUNITY

ENVIRONMENT

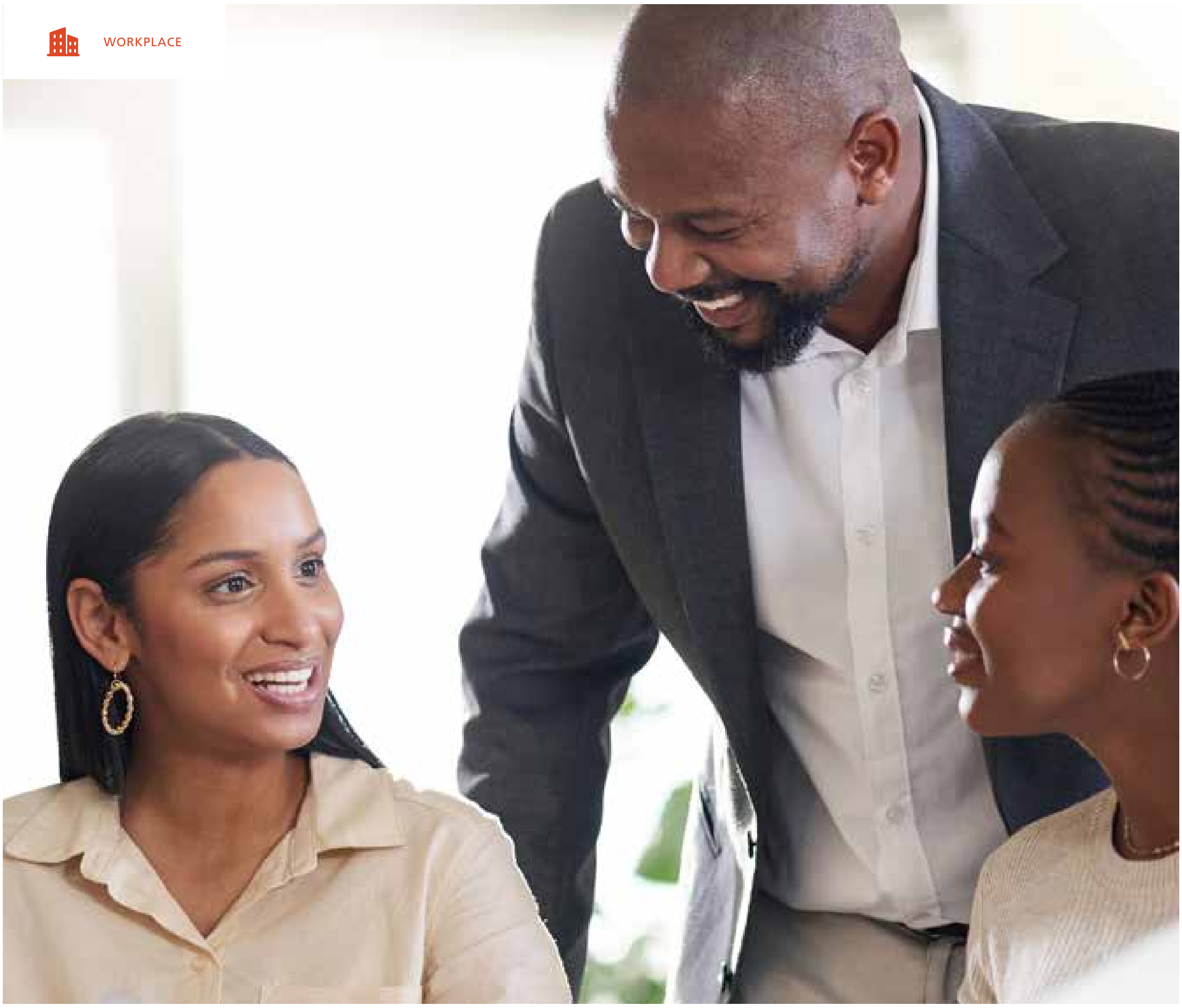
MARKETPLACE

# MARKETPLACE: Sustainable Finance for Economic Growth

The role of finance in driving economic transformation cannot be overstated. At GTCO, we actively support businesses and sectors that create jobs, boost productivity, and drive national development. In 2024, our lending activities continued to prioritize key sectors such as agriculture, manufacturing, real estate, infrastructure, health, education, power, and oil & gas—ensuring that we play a vital role in Nigeria's economic diversification.

We also made significant strides in advancing financial inclusion, particularly through our partnership with the CBN SANEF initiative. One notable success story is that of a small-scale trader in Kano who, after accessing our mobile banking solutions, was able to expand her business by streamlining transactions and improving cash flow management. Through such initiatives, we opened over 963,076 new accounts and mobilized approximately ₦9.5 billion in deposits, further demonstrating our impact on underserved populations. through our partnership with the CBN SANEF initiative, opening over 963,076 new accounts and mobilizing approximately ₦9.5 billion in deposits. Additionally, we expanded our suite of digital banking solutions—GTWorld, USSD, and Internet Banking—to provide seamless and accessible financial services to millions.

Recognizing the growing importance of sustainable finance, we strengthened our relationships with development finance institutions such as the IFC and Goldman Sachs, signing an MOU for the IFC & Goldman Sachs 10,000 Women initiative—an online business education program designed to empower female entrepreneurs.



# WORKPLACE: Fostering an Inclusive and Thriving Workforce

Our people are at the heart of everything we do. We are committed to creating a workplace culture that fosters innovation, collaboration, and well-being.

## Employee Engagement & Well-being

Our workplace is governed by policies that promote fairness, transparency, and inclusion. We operate two employment categories—Full Staff and Contingent Staff—ensuring that our staffing strategy meets business demands while maintaining a decent and equitable work environment.

Through our Employee Assistance Programme, we provide psychological and emotional support, while initiatives like Wellness Wednesdays (focused on healthy living) and Finance Fridays (providing financial literacy tips) encourage holistic employee well-being.

## Talent Development & Diversity

We invest heavily in continuous learning, with 90 training programs benefiting over 3,421 employees in 2024. Topics covered included Environmental & Social Risk Management, Cybersecurity, Workplace Safety, and Leadership Coaching. Sustainability training was also made mandatory for all new hires.

Diversity remains a key focus, with 51% female employees and 38% female representation on subsidiary boards—surpassing the industry average of 30% female board representation in Africa. This progress reflects our commitment to fostering an inclusive workplace where diverse perspectives drive innovation and decision-making. Our workplace policies ensure equal opportunities for all, including persons with disabilities.

COMMUNITY


# COMMUNITY: Enriching Lives Beyond Banking

GTCO's commitment to social impact is deeply rooted in our corporate ethos. A prime example of this is our initiative to support underprivileged schools through infrastructure development. Last year, our team renovated a dilapidated school in a rural community, equipping it with modern classrooms, a library, and internet access—providing students with an environment conducive to learning and growth. Our CSR initiatives focus on Education, Community Development, the Environment, and the Arts—aligning with the United Nations Sustainable Development Goals (UN SDGs) to drive meaningful change.

## Financial Literacy & Youth Empowerment

Through Global Money Week and World Savings Day, we educated young minds on the importance of savings and responsible financial habits. We also funded educational projects, including renovating school hostels, hosting the Masters' Cup, and supporting financial literacy campaigns.

## Health & Well-being

Our health-focused initiatives spanned several impactful programs, including breast cancer awareness campaigns, autism workshops, wellness programs, and disability support initiatives. Our continued partnerships with hospitals and health organizations reaffirm our dedication to public health.

## Community Development

We actively invest in social infrastructure, ensuring that our impact extends beyond financial services. This year, we contributed to flood disaster relief efforts, security trust funds, and memorial initiatives for the 1994 Genocide against the Tutsi in Rwanda.

# ENVIRONMENT: Leading the Way in Sustainable Practices

GTCO is committed to minimizing our environmental footprint while promoting sustainable resource management, with a target to reduce greenhouse gas emissions by 20% over the next five years and achieve a 30% reduction in non-recyclable waste across our operations. Our efforts in 2024 focused on energy efficiency, waste reduction, and responsible resource consumption.

## Greenhouse Gas (GHG) Emissions Reduction

We implemented measures such as timely branch shutdowns, virtual meetings, and reduced business travel to cut down on emissions. Additionally, we optimized energy usage through duplex printing and digital documentation.

## Waste Management

Waste is managed in collaboration with certified agencies, including LAWMA and Switch Recycling Innovation Ltd, ensuring that plastics and other materials are properly recycled.

## Digitalization & Paper Reduction

We introduced Signature Pads to enable electronic transactions, significantly cutting down paper usage. Additionally, we encourage paperless communication and automated workflow processes to minimize waste and improve efficiency.

## Climate Risk Management

At GTCO, we are committed to supporting the global transition to a sustainable, low-carbon economy—one that balances environmental responsibility with social and economic progress. To achieve this, we actively manage climate-related risks within our business operations by building on our Environmental and Social Risk Management (ESRM) Policy and Climate Risk Policy, while benchmarking our practices against global standards and best-in-class pronouncements on climate risk management.

## Climate Risk Strategy and Action Plan

To effectively address climate-related risks and opportunities, we have undertaken a range of strategic initiatives aimed at reducing our environmental footprint and financing the transition to a low-carbon economy.

## Path to Net-Zero: Reducing Emissions and Energy Transition

In line with our Net-Zero commitment, we continue to implement energy efficiency measures across our operations:

- A growing number of GTCO subsidiaries now rely on the national grid for energy, reducing dependence on carbon-intensive alternatives..
- Our flagship subsidiary has mapped out various locations where dedicated power supply lines can be accessed to further minimize environmental impact. Currently, 10% of our banking locations are connected to dedicated power lines, while an additional 3.13% have received approval for connection.
- 3.7% of the bank's ATMs are powered by solar energy, reducing reliance on conventional electricity.
- 2.58% of GTCO's facilities are now entirely powered by renewable energy sources, with more wholly owned buildings undergoing energy assessments to evaluate further transition opportunities.

## Implementation of IFRS S1 & S2 Sustainability Disclosure Standards

Guaranty Trust Bank Nigeria has initiated its implementation strategy for the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S1 and S2 sustainability disclosure standards. This began with internal and external capacity-building sessions to equip key personnel responsible for sustainability reporting.

To ensure seamless adoption, the GTCO Board has approved the implementation roadmap for these new sustainability disclosure standards, reinforcing our commitment to transparency and alignment with global sustainability best practices.

## Strategic Partnerships for a Low-Carbon Economy

As part of our climate risk policy commitments, GTCO actively fosters collaborations that drive sustainable finance and support the energy transition. These partnerships are integral to our Corporate Social Responsibility (CSR) efforts and reinforce our role in facilitating environmental sustainability.

- We have partnered with Switch Recycling Innovations Limited to implement waste sorting, collection, and recycling at our major events—helping to reduce plastic pollution.
- Additional partnerships with key players in the energy transition sector are in advanced stages of review, and we aim to leverage existing regulatory and institutional frameworks to drive impactful environmental projects.

## Enhancing Climate Risk Management Through Vendor Assessments

To further embed sustainability into our operations, we have updated our Vendor Risk Assessment forms to incorporate climate-related disclosures. This ensures that we:

- Assess third-party climate risk exposure as part of our procurement and risk management processes.
- Include Key Risk Indicators (KRIs) to monitor and evaluate climate risks and opportunities.

By integrating climate considerations into our supply chain and risk management frameworks, we continue to reinforce our commitment to environmental sustainability and responsible business practices.

# Progress on CBN's Nigerian Sustainable Banking Principles **(NSBP)**

Guaranty Trust Bank Nigeria is a signatory to the CBN's Nigerian Sustainable Banking Principles (NSBP). Our business activities and operations are in line with the provisions of the nine (9) principles of NSBP. The table below highlights some of our key achievements in the implementation of CBN's NSBP in the reporting year:

| NSBP Principles | Definition | Progress Update |
|---|---|---|
| **Principle 1** | Our Business Activities: Environmental & Social Risk Management: Integration of environmental and social consideration into our lending activities. | • All our transactions (321) were screened for E&S risks in the period under review.<br>• To date, we have visited/conducted desktop Due Diligence Assessments for 51 customers. Based on the review of relevant documents and information provided by the client, we came up with action plans to be closed out by the customers.<br>• We also conducted Environmental and Social Performance monitoring for 25 existing customers to close out on previously developed action plans |
| **Principle 2** | Our Business Operations: Environmental & Social Footprint: Avoidance of the negative impact of our Business Operations. | • We presently have 7 branches powered by alternative power source (ATMs and communication equipment). We currently have 48 ATMs powered by alternative energy source (solar energy). |
| **Principle 3** | Human Rights: Respect for the rights of all in Business Operations. | • All 321 transactions booked were assessed for human rights risks such as child labour and forced labour. Assessment comprises initial screening with the Exclusion Checklist for all customers and Further Due Diligence Assessment for High-Risk customers. |
| **Principle 4** | Women's Economic Empowerment: Promote economic empowerment through a gender inclusive workplace culture and provide products and services for women. | • There was a slight increase (75) in the number of female employees in the work force.<br>• The number of women on our board remained the same from the last reporting period (4).<br>• The number of women in management positions remained 15. The percentage of women in management reduced from 43.24% to 42.86% |
| **Principle 5** | Financial Inclusion: Promotion of financial inclusion and provision of financial services to individuals and communities that have limited or no access to the formal financial sector. | • From our partnership with CBN SANEF initiative, we opened 963,076 accounts in the reporting period, with deposits totaling 9.5 billion |

| NSBP Principles | Definition | Progress Update |
|---|---|---|
| **Principle 6** | E&S Governance: Implementation of transparent E&S governance practices within the institution and assessing the E&S governance of our clients. | • Our internal audit team (SYSCON) conducts monthly visits to track and monitor our progress on E&S using our annual plan.<br>• We provide biannual reports to CBN to give updates on our Sustainability journey.<br>• We provide quarterly reports on our E&S journey to the Bank's Management and Board. |
| **Principle 7** | Capacity Building: Development of capacity to identify, assess, and manage E&S risks and opportunities associated with the Bank's business activities and operations. | • Over 2,558 employees were trained on various sustainable banking subject matters within the reporting period.<br>• We conducted five (5) training sessions on Environmental and Social Risk Management for different groups within the bank and published the E&S Action Plan procedure on the intranet. |
| **Principle 8** | Collaborative Partnerships: Collaboration across the sector and leveraging international partnerships to develop the financial services sector and ensure consistency with international standards. | • The Bank remains a member of the network of Sustainability Champions in Nigeria. |
| **Principle 9** | Reporting: Regular review and implementation progress report. | • The Bank rendered the Bi-Annual Sustainability Report to the regulator (CBN) with its sustainability report in the financials.<br>• We also provide periodic updates to our investors on the integration of ESRM in the Bank's framework.<br>• Report on our sustainability journey and Social Key Performance Indicators (KPI) also shared with the Board of Directors on a quarterly basis. |

## Summary of Our ESG Materiality

At GTCO, we strive to create lasting value through a holistic sustainability strategy that balances business growth with social and environmental responsibility.

Our key ESG priorities include:

- Access & Affordability – Expanding financial inclusion through digital channels and innovative banking solutions.
- Labour Practices – Investing in employee well-being, training, and diversity initiatives.
- Data Security & Privacy – Strengthening cybersecurity measures and upholding the highest standards of customer privacy.
- Lifecycle Impact of Products & Services – Ensuring that our operations and lending activities adhere to environmental and social best practices.
- Business Ethics – Upholding integrity and transparency through our Code of Professional Conduct and Ethics Policy.
- Systemic Risk Management – Embedding robust risk management practices to safeguard our business and stakeholders.

"Sustainability is a journey, and at GTCO, we remain steadfast in our commitment to building a future that is **inclusive, responsible** and **resilient**. By aligning our business strategies with global sustainability standards, we continue to **enrich lives, empower communities** and **preserve the environment for generations to come.**"

## Conclusion

Sustainability is a journey, and at GTCO, we remain steadfast in our commitment to building a future that is inclusive, responsible, and resilient. By aligning our business strategies with global sustainability standards, we continue to enrich lives, empower communities, and preserve the environment for generations to come.

# AML / CFT **Framework**

GTCO Plc ("the company") is committed to a firm-wide compliance culture where the tone is set from the top. As such, the Group's (GTCO and its subsidiaries) compliance values resonate from the Board to all our people. The Group conducts its business in all jurisdictions where it operates by complying with the applicable laws, rules, regulations, codes of conduct, and standards of the regulatory authorities. GTCO Plc and its subsidiaries also comply with data protection laws and regulations and other customer protection-related regulations relevant to their activities.

## Financial Crime

The Group has a robust Compliance framework that combats all forms of financial crime, which include Money Laundering, Terrorism Financing, and Proliferation Financing, in all the jurisdictions where GTCO is operational. GTCO Plc ensures that this framework aligns with local and international guidelines, laws, and regulations. It is also mandatory for all our people to comply with these regulations and frameworks.

The Group adopts the three lines of defence as its operating model in preventing financial crime, where the responsibilities of each role are clearly defined in the Group's policies.

First Line of Defence: This represents the process owners who have the responsibility to manage the risks associated with their daily operational processes. They also participate in the identification and prevention of financial crime.

Second Line of Defence: This line of defence provides compliance and risk management oversight by monitoring the implementation of the Group's policies and the framework in the prevention of financial crime.

Third line of Defence: This line of defence provides assurance to the Board and Management that the controls, tools, and techniques adopted to fight financial crime are operational, effective, and adequate.

## Structure of the Framework

The Group has policies and guidelines that incorporate the relevant regulations in its area of operations and adopt leading best practices to prevent financial crime. These policies are regularly reviewed to ensure that they are relevant, current, and aligned with evolving regulatory requirements and best practices. Also, the policies are approved by Senior Management and the Board of Directors.

Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing **(AML/CFT/CPF)**

The Group has policies and procedures that articulate its AML/CFT/CPF posture. These policies are approved by the Boards of its respective subsidiaries and are also easily accessible to all employees.

The Group has moved from a "rule-based, tick box" approach in combating financial crime and proliferation financing to a risk-based approach. Consequently, these risks are identified and assessed using proactive measures with the requisite resources that center around systems and controls to manage risks.

## Scope of the Framework

A summary of the Group's AML/CFT/CPF framework is outlined below:

**(i) Board and Management Responsibilities:**

In accordance with AML/CFT/CPF global best practice, the "tone is set from the top". The Board of Directors in the company and its subsidiaries have the oversight responsibilities for the AML/CFT/CPF framework. The Board ensures that the Group's Management and all employees adhere strictly to regulatory and internal procedures relating to AML/CFT/CPF and that a zero-tolerance threshold for regulatory infractions is maintained. The Chief Compliance Officers (CCO) in the entities within the Group are approved by their respective regulators and report directly to their Boards.

**(ii) Reports to Senior Management and the Board:**

On a monthly and quarterly basis, AML/CFT/CPF reports are submitted to Senior Management and Board members, respectively. These reports provide the Board and Senior Management with information to enable them to assess the Group's compliance with its regulatory obligations. The reports also ensure that the Directors and Senior Management are updated on the current trends and developments in the financial industry, particularly in AML/CFT/CPF risk management.

**(iii) Know Your Customer (KYC) Procedures:**

Know Your Customer (KYC) standards are designed to protect financial institutions against fraud, corruption, money laundering, and terrorist financing. The Group adopts a standard approach that aligns with the local regulatory requirements where it operates. This facilitates the onboarding of only customers that align with the Group's risk appetite and enhances financial crime prevention even as personal and digital customers are onboarded.

### (iv) Transaction Monitoring:

Transaction monitoring is done using manual and automated methods. The former is performed by employees who regularly identify red flags in transactions/activities, and the latter resides with the Compliance teams in the Group with the aid of transaction monitoring tools. These red flags are investigated, and Suspicious Transaction Reports (STRs) are filed with the relevant regulatory authority where required.

### (v) Politically Exposed Persons (PEPs)

PEPs are individuals who are or have been entrusted with prominent public functions, and the classification includes people or entities associated with them. Enhanced Due Diligence (EDD) measures are applied to PEPs, as with other high-risk customers, to mitigate the AML/CFT/CPF risks they pose. This is to ensure that the Group is not unknowingly supporting activities such as Money Laundering and/or Terrorism Financing.

### (vi) Prohibited Business Relationships:

In line with international best practices, the Group does not open accounts or conduct transactions for customers using pseudonyms or numbers instead of actual names. The Group also does not maintain relationships with individuals or entities that have been sanctioned.

### (vii) Risk Assessment

The Group conducts risk assessments on its customers, branches, products, and services. This is to ensure that AML/CFT/CPF risks are identified, assessed, and mitigated.

### (viii) Anti-Bribery and Corruption (ABC) and Anti-Fraud:

The Group upholds the highest standards of ethical conduct in all its activities and interactions. There is zero tolerance for any form of bribery, corruption, fraud, and unethical practices among our people, as well as with external parties. The Group also expects the same standards to be applied by third parties acting on its behalf. There is a firm-wide policy that provides the requisite standards and principles on ethical conduct and practices expected and required of our people and other stakeholders.

Our people are also encouraged to raise their concerns using the company's whistle-blow platforms where any breach has been observed.

### (ix) Training:

The Group places significant importance on the training of all employees. Training is conducted to ensure that all staff are well informed and up to date on AML/CFT/CPF laws, KYC principles, the red flags of Money Laundering, Terrorism Financing, and other types of financial crimes that may occur in their job functions.

In 2024, 96% of the compliance-related training conducted in the Group was AML/CFT/CPF related.

The training educates our people on the techniques that can be used to detect and manage financial crime risks. Frequent training is also conducted for specialized units with AML/CFT/CPF responsibilities to equip them for their roles.

We conduct annual and periodic mandatory training for employees Group-wide, including Senior Management and the Board. Assessment tests are also conducted to ensure that our people have understood the training contents.

### (x) AML/CFT/CPF Review and Audit:

To ensure compliance with laws and regulations and to ensure an ever-evolving fit for use of the Compliance function, a review of the AML/CFT/CPF function is conducted by Internal Audit. The purpose of the audit is to test the adequacy of the processes used to combat financial crime and ensure that these measures are up-to-date and effective.

The reports and findings of the audit are circulated to Senior Management. A follow-up to the audit takes place to ensure that the relevant issues are closed out and that the recommendations made have been implemented.

### (xi) Data Protection:

The Group has a duly approved Data Protection Policy, which is revised periodically to reflect the legal, regulatory, and operating environment. The Group adheres to both local and international data protection policies, such as the National Data Protection Regulations in the countries where we operate and the European Union General Data Protection Regulation (EU-GDPR).

### (xii) Whistle Blowing:

GTCO Plc and its subsidiaries have whistle-blowing policies, which are approved by their respective Boards. These Policies govern the reporting and investigation of improper, unethical, or illegal activities in the Group, as well as the protection offered to a "Whistleblower".

The entities within the Group have distinct whistle-blowing platforms to enable all stakeholders to disclose their concerns either anonymously or with their identities revealed. These disclosures are treated with strict confidence, and the identity of the Whistleblower will not be revealed except as required for Security, Regulatory, or Legal purposes. The reports received are reviewed and investigated by specific Senior Management employees. Whistle-blow reports are logged in by stakeholders via the platforms documented in the Group's whistle-blow policy hosted on GTCO's website.

### (xiii) Complaints Management

GTCO has a Stakeholder Engagement Policy as a means of engagement that outlines the guidelines, process and channels for communication with our Shareholders/Potential Investors, Creditors, Employees, Regulators, Customers and the General Public.

Our Stakeholders may have access to this policy through our website:

https://www.gtcoplc.com/investor-relations/other-information#section-other-documents

We understand the importance of our customers' satisfaction to the achievement of set goals. We recognize that customer feedback is a critical tool in monitoring and responding to customer expectations; hence, we continue to embed good conduct practices across our business, with a range of initiatives to further improve the service and experience we offer to customers.

We are committed to effective complaint handling and value feedback through complaints when they arise. Our complaints and feedback structure ensures the prompt resolution of customers' complaints, and we ensure that complaints are dealt with in an equitable, objective, and unbiased manner. We also endeavor to align our procedures with regulatory requirements and international best practices in a bid to ensure that the complaint-handling process is fair and reasonable.

The Complaints statistics for all entities have been disclosed in their respective Financial Statements.

### (xiv) Anti-Slavery and Human Trafficking:

The Group places significant importance on tackling any form of Modern Slavery or Human Trafficking. Thus, it will not allow, facilitate, or condone any form of Modern Slavery or Human Trafficking across its entities. These standards are also expected from our suppliers and third parties acting on our behalf.

This is supported through communication, established controls, and proactive steps to ensure compliance with all Anti-slavery and Human trafficking laws and regulations as well as ensuring compliance with the Group's ethical standards and Code of Conduct.

### (xv) Rendition of Returns

The Risk and Compliance Group in the company manages and maintains a Compliance Grid containing all reporting obligations and monitors the rendition of these returns via an Attestation process.

# Internal control and Risk Management Systems in relation to financial reporting

Guaranty Trust Holding Company's internal control and risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Company's internal control framework is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

COSO defines internal control as "a process effected by an entity's Board of Directors, Management and other personnel, to provide reasonable assurance regarding the achievement of objectives" in three categories--effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. The scope of internal control therefore extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavors of all types at all levels of the Company.

The internal control and risk Management systems comprise the following areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

## Control Environment

The Company has the Board Risk and Audit Committee that have oversight function on the Company's Risk Management Processes. The Committee is responsible for setting risk Management policies that ensure material risks inherent in the Company's business are identified and mitigated or controlled. The Company's Audit Committee which is made up of three shareholders' representatives and three Non-Executive Directors; one of the shareholders' representatives is the Chairman. The Audit Committee is therefore independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting.

The Company's Management committees are responsible for implementing risk Management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. They ensure proper books of accounts are kept and accounting policies are in conformity with: IFRS Accounting Standards; Prudential Guidelines for licensed Banks; Circulars issued by the Central Bank of Nigeria; The requirements of the Banks and Other Financial Institutions Act; and The requirements of the Companies and Allied Matters Act.

## Risk Assessment

relating to financial reporting. Management Committees meets on a regular basis to assess all risks facing the company. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process.

The Board also assesses the effectiveness of the Company's internal control over financial reporting on an ongoing basis and specifically at mid-year and year end. The Management letter issued by the external auditors which contains the auditors' observations on the control environment in the Company is discussed at the Audit Committee meetings.

## Periodic Independent Assessment of the Internal Audit Function

In line with the Nigerian Code of Corporate Governance, companies are to undergo an independent Quality Assurance Review (QAR) of their Internal Audit function. The objective of this review is to assess the Internal Audit function's conformance to regulatory standards and requirements, as well as to identify improvement opportunities. This review will be conducted periodically as mandated by the Code.

## Control Activities

Control activities are an integral part of the Company's Day to day operations. Senior Management has set up control structure to ensure control activities are defined at every business area.

Examples of the Company's control activities include the following;

## Top Management Reviews

- Internal Audit Reports eliciting control weaknesses are presented periodically to Management and Board Audit Committee.
- Preparation of financial statements on a daily basis for Management review.
- Monthly and quarterly profitability review, where the Company's financial performance is reviewed and compared with set budgets. Quarterly reports of the

Chief Risk Officer to the Board, eliciting the existing and potential risks facing the Company and the mitigants deployed.

## Whistle Blowing

The Company has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Company.

## Information and Communication/ Monitoring

The Company's Management understands the need for a timely, reliable and accurate information flow within the Company, for effective decision making and enhanced financial reporting. Every activity of the Company is codified in the Company's standard operating procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity. The SOP further highlights the requirement for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

The following are some of the generic internal reports used by Management for decision making and monitoring purposes:

- FINSTAT- Financial Statements Report
- BPR- Business Performance Review Report
- MPR- Monthly Profitability Report

# Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended December 31, 2024

The Directors accept responsibility for the preparation of the financial statements set out from pages 53-277 that give a true and fair view in accordance with the requirements of the IFRS Accounting Standards.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act 2020 (as amended) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the financial statements.

**SIGNED ON BEHALF OF THE DIRECTORS BY:**

**BANJI ADENIYI**
CHIEF FINANCIAL OFFICER
FRC/2013/PRO/ICAN/004/00000004318
27 January 2025

**SEGUN AGBAJE**
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
27 January 2025

# Report of the Audit Committee
# For the year ended December 31, 2024

To the members of Guaranty Trust Holding Company Plc

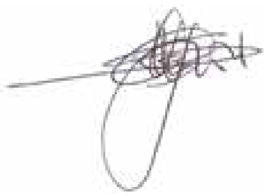
In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2004, the members of the Audit Committee of Guaranty Trust Holding Company Plc hereby report as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2004 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 and Group 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 year ended December 31, 2024, were satisfactory and reinforce the Group’s internal control systems.

- We are satisfied that the Company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on “Disclosure of directors' related credits in the financial statements of Companys”, and hereby confirm that an aggregate amount of ₦177,375,000 (31 December, 2023: ₦253,375,000) was outstanding as at 31 December, 2024. The status of performance of insider related credits is as disclosed in Note 44d.

- 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 to the External Auditor’s recommendations on accounting and internal control matters and the effectiveness of the Bank’s system of accounting and internal control.



Mrs. Sandra Mbagwu-Fagbemi
Chairman, Audit Committee
January 27, 2025
**FRC/2020/002/00000020305**

Members of the Audit Committee are:

1. Mrs. S. Mbagwu-Fagbemi - Chairman
2. Alhaji M.A. Usman
3. Mrs. A. Kuye
4. Mrs. H. L. Bouygues
5. Mrs. C. N. Echeozo

$\left.\begin{matrix} \text{2.} \\ \text{3.} \\ \text{4.} \\ \text{5.} \end{matrix}\right\}$ Shareholder’s Representatives

# Corporate Responsibility for Financial Statements as at December 31, 2024

The Group Chief Executive Officer and the Group Chief Financial Officer of Guaranty Trust Holding Company PLC. have reviewed the audited financial statements and accept responsibility for the financial and other information within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Group are hereby provided below:

### Financial Information

I. 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.

II. 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 Group as of and for the year ended December 31, 2024.

### Effective Internal Controls

I. Effective internal controls have been designed to ensure that material information relating to the Company and its Subsidiaries is made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

II. The effectiveness of the Group's Internal controls have been evaluated within 90 days prior to December 31, 2024

III. The Group's Internal Controls are effective as at December 31, 2024.

### Disclosures

I. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Group's Internal Control systems.

II. There were no fraud events involving Senior Management or other employees who have a significant role in the company's Internal control.

III. There were no significant changes in internal controls or in other factors that could significantly affect internal controls.

SIGNED BY:

BANJI ADENIYI
CHIEF FINANCIAL OFFICER
FRC/2013/PRO/ICAN/004/00000004318
28 January 2025

**SEGUN AGBAJE**
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
28 January 2025

# Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting for the year ended 31 December 2024

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc ("the Company") for the year ended 31 December 2024:

a) Guaranty Trust Holding Company Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Standards.

b) Guaranty Trust Holding Company Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Company's ICFR;

c) Guaranty Trust Holding Company Plc's management has assessed that the Company's ICFR as of 31 December 2024 is effective.

d) Guaranty Trust Holding Company Plc's external auditor, Ernst & Young, that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Company's internal control over financial reporting.

The attestation report of Ernst & Young that audited its financial statements will be filed as part of Guaranty Trust Holding Company Plc's annual report.

BANJI ADENIYI
CHIEF FINANCIAL OFFICER
FRC/2013/PRO/ICAN/004/00000004318
28 January 2025

**SEGUN AGBAJE**
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
28 January 2025

# Certification by Chief Executive Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc ("the Company") for the year ended 31 December 2024:

I, Segun Agbaje, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Guaranty Trust Holding Company Plc;

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

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

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

1) are responsible for establishing and maintaining internal controls;

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

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

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

2) There are no frauds, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**SEGUN AGBAJE**
GROUP MANAGING DIRECTOR
FRC/2013/PRO/DIR/003/00000001782
28 January 2025

# Certification by Chief Financial Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Guaranty Trust Holding Company Plc ("the Company") for the year ended 31 December 2024:

I, Adebanji Adeniyi, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Guaranty Trust Holding Company Plc;

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

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

d) The company's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

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

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

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

2) There are no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

The company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

ADEBANJI ADENIYI
CHIEF FINANCE OFFICER
FRC/2013/PRO/ICAN/004/00000004318
28 January 2025

Ernst & Young
10th & 13th Floors
UBA House
57 Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: service@ng.ey.com
www.ey.com

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

**To the Shareholders of Guaranty Trust Holding Company Plc**

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

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

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

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

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

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

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

*Guaranty Trust Holding Company Plc's responsibilities*
Guaranty Trust Holding Company Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Guaranty Trust Holding Company Plc's *Management's Assessment of the Internal Control over Financial Reporting as of 31 December 2024* in accordance with the Criteria.

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

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

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

*Our independence and quality management*

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

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

*Description of procedures performed*

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

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

*Conclusion*

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

*Other Matter*

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Guaranty Trust Holding Company Plc and its subsidiaries for the year ended 31 December 2024, and we expressed an unmodified opinion in our report dated 28 March 2025. Our conclusion is not modified in respect of this matter.

Anthony Oputa

**Anthony Oputa**
FRC/2013/PRO/ICAN/004/00000000980
For: Ernst & Young
Lagos, Nigeria
Date: 28 March 2025

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0335469

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**Ernst & Young**
10th Floor, UBA House
57, Marina
Lagos, Nigeria

Tel: +234 (01) 844 996 2/3
Fax: +234 (01) 463 0481
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## Independent Auditor's Report

*To the Shareholders of Guaranty Trust Holding Company Plc*

### Report on the Audit of the Consolidated and Separate Financial Statements

*Opinion*

We have audited the consolidated and separate financial statements of Guaranty Trust Holding Company Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate income statements, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year ended 31 December 2024, and notes to the consolidated and separate financial statements, including material accounting policy information.

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

*Basis for Opinion*

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

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's Report - continued

*Key Audit Matters – continued*

The Key Audit Matters apply to the audit of the consolidated financial statements.

| Key Audit Matters | How the matter was addressed in the audit |
|---|---|
| **1. Impairment of loans and advances to customers**<br>The determination of the adequacy of the allowance for expected credit losses (ECL) for loans and advances to customers is highly subjective and judgmental.<br><br>The Group reported total gross loans and advances to customers of N2,920 billion and allowance for ECL of N132.9 billion as at 31 December 2024, and ECL impairment charges of N135.1 billion for the year ended 31 December 2024.<br><br>Given the subjective nature of the calculation of ECL, there is a heightened risk that the extent of allowances could be misstated.<br><br>The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as:<br>• determining criteria for significant increase in credit risk (SICR) for the purpose of stage assessment;<br>• assessing the relationship between default and macro-economic variables;<br>• incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights;<br>• validating the completeness and accuracy of historical data used to reassess the models;<br>• validating the completeness and accuracy of data used to run the models;<br>• factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD);<br>• factors considered in cash flow estimation including timing and amount; and<br>• factors considered in collateral valuation.<br><br>The determination of ECL on loans and advances to customers is considered a key audit matter given the significant balances of loans and advances, related ECL allowances | Our audit approach was a combination of control reliance and substantive procedures.<br><br>We reviewed IT General and Application controls governing the IT systems used to calculate expected credit losses such as the process for data migration and upload, access controls over inputs into the system, change management controls and staging configuration within the system.<br><br>We reviewed management's criteria for default and significant increase in credit risk (SICR) by reviewing customer files and account statements for selected obligors to identify quantitative and qualitative indicators of SICR and default.<br><br>In addition, for stage 3 exposures, we assessed the assumptions considered in the estimation of recovery cash flows, the discount factor, collateral valuation, and timing of realization.<br><br>Working with our credit risk modelling specialists, we gained an understanding of how the PD, LGD and EAD were derived by reviewing the ECL model documentation and performed walkthroughs.<br><br>With the involvement of our specialists, we evaluated and performed the following in respect of the following ECL parameters:<br><br>**Probability of Default (PD):**<br>• Assessed the Group's rating scale based on their homogenous categories.<br>• Re-computed the through-the-cycle PDs by adopting the S&P PD per credit rating to estimate the ECL parameters on a more granular basis i.e., monthly forecast for the PD, EAD cashflow projection.<br>• Re-calculated the conversion of through-the-cycle PDs to conditional PDs. |

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| | |
|---|---|
| and impairment charges, and the level of complexity and judgement involved in the process.<br><br>Refer to Note 3(V) – Impairment of Financial Assets for the related accounting policies and Note 28 - Loans and advances to customers, of the Consolidated and Separate Financial Statements for the details of the balances. | **Loss Given Default (LGD):**<br>• Reviewed the assumptions used in determining LGD.<br>• Tested historical data for recoveries on unsecured exposures and re-computed unsecured LGD in order to assess the reasonableness of the Group's LGD computations.<br>• Reviewed and evaluated the reasonableness of collateral parameters.<br><br>*Exposure at Default (EAD)*<br>We re-computed the Lifetime Exposures at Default using the EAD parameters contained in the loan book.<br><br>*Disclosures*<br>We evaluated the adequacy of disclosures in the consolidated and separate financial statements including the appropriateness of assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures. |
| **2. Implementation of new core banking application with impact on Financial Reporting**<br><br>GTBank Nigeria made significant investment in technology within the last 12 months which led to the implementation of a new banking application and other related suite of applications within the year, transiting from Basis to Finacle banking application.<br><br>The Group's IT environment is inherently complex due to the number of systems it operates and its reliance on automated and IT dependent manual controls which support a broad range of banking as well as the processing of the Group's significant volume of transactions, which impact all account balances<br><br>The IT systems within the Group form a critical part of the Group's financial reporting activities, due to the significant reliance on IT systems, General IT Controls for completeness and accuracy of financial data and the integrity of automated system functionality. | Our audit procedures were primarily comprised of:<br><br>We involved our IT specialist to perform the following:<br><br>• IT General Control test on the newly implemented applications (Finacle Core Banking and Finacle Treasury)<br><br>• Data Migration test on the newly implemented applications (Finacle Core Banking and Finacle Treasury)<br><br>• IT Application Controls and IT Portion of IT Dependent Manual Controls (as may be required) tests on the newly implemented applications (Finacle Core Banking and Finacle Treasury).<br><br>• Evaluated the design and testing the operating effectiveness of IT controls over the key applications, operating systems and databases that are relevant to financial reporting.<br>• Tested the operating effectiveness of key automated controls for in-scope business processes, including automated calculations; and |

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| | |
|---|---|
| We have identified the implementation of new core banking application with impact on financial reporting as a key audit matter because of the following<br><ul><li>There is a risk that data may not have been accurately or completely migrated from BASIS to Finacle as the Bank handles large volume of transactions</li><li>The new system may have different configurations and customizations from BASIS. If not properly configured or customized, this could result in material misstatement that impact multiple accounts in the financial statements</li><li>The transition to a new core banking application may impact the Bank's IT internal control environment. There is a risk that the new application may be operating under ineffective control for which significant processes rely on.<br>Risk of extended system downtime during the migration, affecting business operations and risk of Inadequate contingency planning for system failures or delays.</li><li>Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. These controls contribute to mitigating the risk of potential fraud or error in the financial accounting and reporting records as a result of changes to IT systems, applications or data.</li></ul> | Involved our Data Analytics specialists to carry out the following procedures:<br><ul><li>Test the completeness and accuracy on the transfer of balances from Basis to Finacle.</li><li>Gained understanding of the data transfer/migration process undertaken and any controls put in place to ensure the completeness and accuracy of the data.</li><li>Gained understanding of the complaints process and the resolution of the related complaints.</li><li>Tested controls over the complaints process.</li></ul>Obtained and reviewed the schedule for pending channel transactions as at 31 December 2024 and confirmed how they were resolved. |

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Guaranty Trust Holding Company Plc Financial Statements together with Directors' and Auditor's Reports", which includes the Corporate Governance, Subsidiary Governance, Sustainability Report, Complaints and Feedback, Anti-Money Laundering and Combating Terrorist Financing Framework, Internal Control and Risk Management Systems, Directors' Report, Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, Report of the Audit Committee; Statement of Corporate Responsibility for Financial Statements, Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting for the year ended 31 December 2024, Certification by Chief Executive Officer,

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**Independent Auditor's Report – continued**

*Other Information - continued*

Certification by Chief Financial Officer and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Consolidated and Separate Financial Statements*

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the 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/or the 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 judgement 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.

**Independent Auditor's Report – continued**

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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/or the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

*Report on Other Legal and Regulatory Requirements*

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

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**Independent Auditor's Report – continued**

*Report on Other Legal and Regulatory Requirements – continued*

- The consolidated and separate statements of financial position and the consolidated and separate income statements, consolidated and separate statements of other comprehensive income, are in agreement with the books of account; and
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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

i) Related party transactions and balances are disclosed in Note 44 to the consolidated and separate financial statements in compliance with Central Bank of Nigeria circular No. BSD/1/2004.

ii) Returns on customers' complaints of Guaranty Trust Bank Limited, a wholly-owned subsidiary of Guaranty Trust Holding Company Plc are disclosed on page 31 – Complaints and Feedback and page 294 - Other Information - Complaints and Feedback in compliance with Central Bank of Nigeria circular No. PDR/DIR/CIR/01/20.

iii) As disclosed in Note 45 to the consolidated and separate financial statements, the Company and Guaranty Trust Bank Limited, paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act 2020 and certain circulars issued by the Central Bank of Nigeria, during the year ended 31 December 2024.

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

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified opinion in our report dated 28 March 2025.

Anthony Oputa

**Anthony Oputa**
FRC/2013/PRO/ICAN/004/00000000980
For Ernst & Young
Lagos, Nigeria
28 March 2025

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# Financials

- Statements of Financial Position
- Income Statements
- Statement of Other Comprehensive Income
- Consolidated Statement of Changes in Equity
- Statement of Cash Flows
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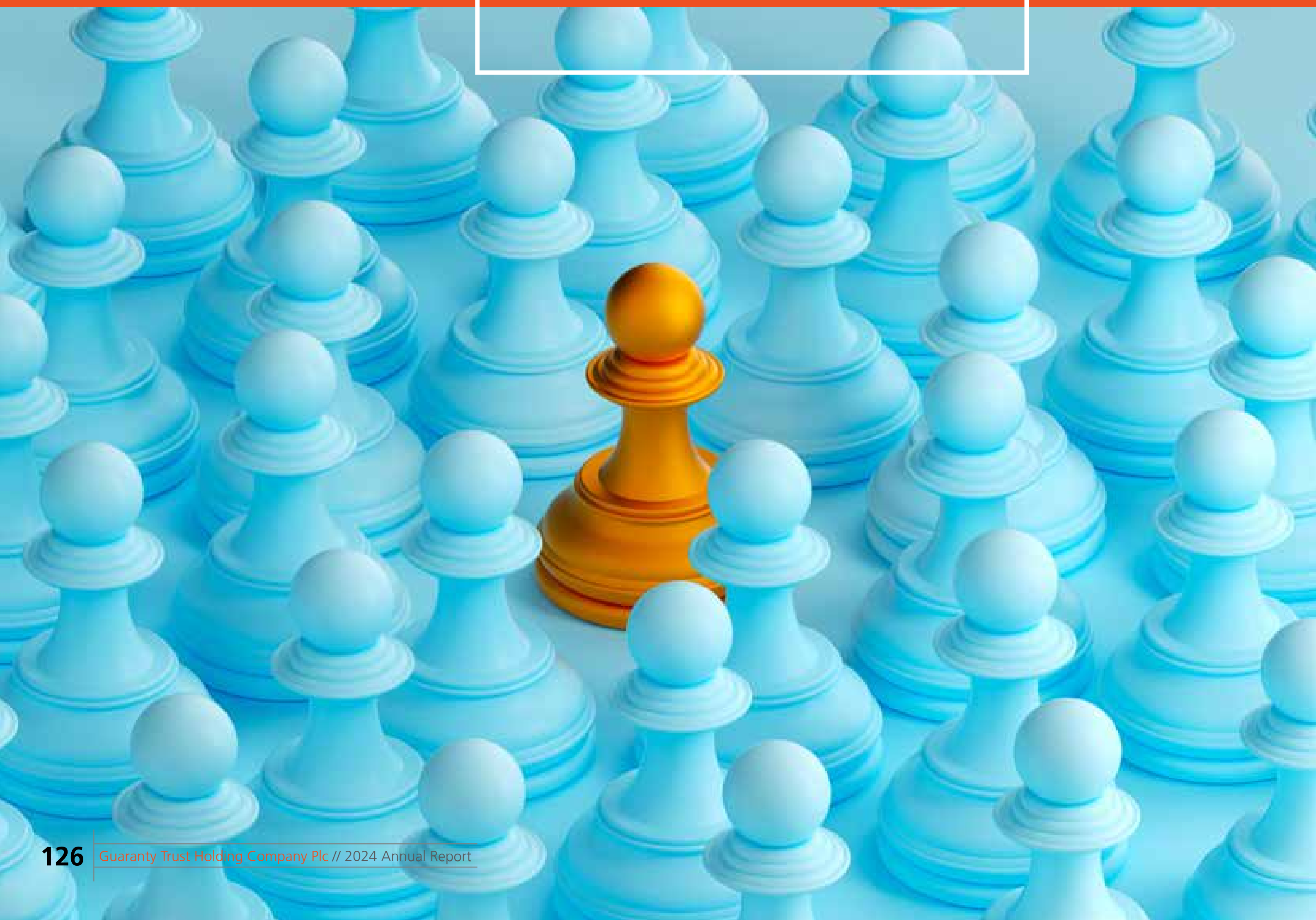
- Statement of Prudential Adjustment
- Value Added Statements
- Five-Year Financial Summary

07



## Consolidated and Separate Statements of Financial Position

As at 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and bank balances | 22 | 4,673,048,120 | 2,309,618,698 | 210,095,331 | 60,169 |
| Financial assets at fair value through profit or loss | 23 | 59,602,997 | 28,066,613 | - | - |
| Derivative financial assets | 24 | - | 28,961,143 | - | - |
| Investment securities: | | | | | |
| – Fair value through profit or loss | 25 | 5,508,086 | 3,947,850 | - | - |
| – Fair value through other compre-hensive income | 25 | 2,495,063,888 | 894,064,002 | - | - |
| – Held at amortised cost | 25 | 1,647,724,053 | 1,571,317,478 | - | - |
| Assets pledged as collateral | 26 | 114,570,075 | 86,552,701 | - | - |
| Loans and advances to banks | 27 | 87,794 | 66,935 | - | - |
| Loans and advances to customers | 28 | 2,785,664,040 | 2,480,183,368 | - | - |
| Restricted deposits and other assets | 33 | 2,574,084,654 | 2,012,815,346 | 250,238,501 | - |
| Investment in subsidiaries | 29 | - | - | 371,068,493 | 162,956,560 |
| Property and equipment, and Right of use assets | 30 | 330,232,049 | 224,298,652 | 1,134,728 | 798,270 |
| Intangible assets | 31 | 81,244,113 | 33,076,038 | - | - |
| Deferred tax assets | 32 | 28,876,962 | 18,285,854 | - | - |
| **Total assets** | | **14,795,706,831** | **9,691,254,678** | **832,537,053** | **163,814,999** |
| **Liabilities** | | | | | |
| Deposits from banks | 34 | 388,420,244 | 136,053,409 | - | - |
| Deposits from customers | 35 | 10,013,021,406 | 7,410,834,190 | - | - |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | 809,342 | - | - |
| Derivative financial liabilities | 24 | 10,759,624 | - | - | - |
| Other liabilities | 37 | 1,020,285,051 | 493,325,925 | 221,179,425 | 16,483,941 |
| Current income tax liabilities | 20 | 186,665,408 | 41,303,351 | 71,639 | 88,692 |
| Other borrowed funds | 39 | 310,021,046 | 72,119,485 | - | - |
| Deferred tax liabilities | 32 | 103,341,970 | 59,680,905 | 134,065 | 11,862 |
| **Total liabilities** | | **12,083,689,217** | **8,214,126,607** | **221,385,129** | **16,584,495** |

## Consolidated and Separate Statements of Financial Position
As at 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| | | | | | |
| **Capital and reserves** | 40 | | | | |
| | | | | | |
| Share capital | | 17,069,475 | 14,715,590 | 17,069,475 | 14,715,590 |
| Share premium | | 329,229,161 | 123,471,114 | 329,229,161 | 123,471,114 |
| Treasury shares | | (11,289,600) | (8,125,998) | - | - |
| Retained earnings | | 1,319,841,616 | 580,033,938 | 255,978,288 | 168,800 |
| Regulatory risk reserves | | 75,110,626 | 75,085,447 | - | - |
| Statutory reserves | | 628,865,926 | 487,807,671 | - | - |
| Other components of equity | | 296,430,677 | 174,653,988 | 8,875,000 | 8,875,000 |
| **Capital and reserves attributable to equity holders of the parent entity** | | 2,655,257,881 | 1,447,641,750 | 611,151,924 | 147,230,504 |
| Non-controlling interests in equity | | 56,759,733 | 29,486,321 | - | - |
| **Total equity** | | **2,712,017,614** | **1,477,128,071** | **611,151,924** | **147,230,504** |
| **Total liabilities and equity** | | **14,795,706,831** | **9,691,254,678** | **832,537,053** | **163,814,999** |

Approved by the Board of Directors on 28 January 2025:

Group Chief Financial Officer
**Banji Adeniyi**
FRC/2013/PRO/ICAN/004/00000004318

Non Executive Director
**Cathy Echeozo**
FRC/2013/PRO/DIR/003/00000001319

Group Chief Executive Officer
**Segun Agbaje**
FRC/2013/PRO/DIR/003/00000001782

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

## Consolidated and Separate Income Statements
For the year ended 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| Interest income calculated using the effective interest method | 9 | 1,321,581,659 | 531,017,544 | - | - |
| Interest income on financial assets at fair value through profit or loss | 9 | 20,220,004 | 19,737,584 | - | - |
| Interest expense | 10 | (283,215,490) | (114,058,543) | - | - |
| **Net interest income** | | **1,058,586,173** | **436,696,585** | **-** | **-** |
| Loan impairment charges | 11 | (136,661,978) | (102,953,282) | - | - |
| **Net interest income after loan impairment charges** | | **921,924,195** | **333,743,303** | **-** | **-** |
| Fee and commission income | 12 | 221,231,208 | 124,162,260 | 3,487,220 | 3,487,220 |
| Fee and commission expense | 13 | (31,519,796) | (14,733,765) | - | - |
| **Net fee and commission income** | | **189,711,412** | **109,428,495** | **3,487,220** | **3,487,220** |
| Net trading gains on financial instruments held at fair value through profit or loss | 14 | 86,237,811 | 62,201,192 | - | - |
| Other income[1] | 15 | 499,066,576 | 449,346,845 | 364,176,863 | 106,248,053 |
| Net impairment charge on other financial assets | 16 | (27,667,721) | (94,992,377) | - | - |
| Personnel expenses | 17 | (85,397,889) | (45,097,281) | (1,474,269) | (1,301,639) |
| Depreciation and amortisation | 18 | (58,032,825) | (39,095,443) | (119,727) | (95,654) |
| Other operating expenses | 19 | (259,595,486) | (166,226,292) | (322,342) | (354,432) |
| **Profit before income tax** | | **1,266,246,073** | **609,308,442** | **365,747,745** | **107,983,548** |
| Income tax expense | 20 | (248,443,224) | (69,653,768) | (1,042,894) | (1,581,672) |
| **Profit for the year** | | **1,017,802,849** | **539,654,674** | **364,704,851** | **106,401,876** |

| **Profit attributable to:** | | | | |
|---|---|---|---|---|
| Equity holders of the parent entity | 1,006,219,889 | 534,425,317 | 364,704,851 | 106,401,876 |
| Non-controlling interests | 11,582,960 | 5,229,357 | - | - |
| | **1,017,802,849** | **539,654,674** | **364,704,851** | **106,401,876** |

[1] Other Income relates principally to Dividend income received from Guaranty Trust Bank Ltd, please refer to note 15.

**Earnings per share attributable to the equity holders of the parent entity during the year (expressed in naira per share):**

| | | | | | |
|---|---|---|---|---|---|
| - Basic | 21 | 35.44 | 19.07 | 12.23 | 3.62 |
| - Diluted | 21 | 35.44 | 19.07 | 12.23 | 3.62 |

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

## Consolidated and Separate Statements of Other Comprehensive Income

For the year ended 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| | | | | | |
| Profit for the year | | 1,017,802,849 | 539,654,674 | 364,704,851 | 106,401,876 |
| **Other comprehensive income:** | | | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent years: | | | | | |
| | | | | | |
| Net change in fair value of equity investments FVOCI | | 451,301 | 16,987 | - | - |
| | | 451,301 | 16,987 | - | - |
| Remeasurement gain/(loss) on post-employment benefit obligations | 38(b) | 7,806,739 | 5,622,571 | - | - |
| Income tax relating to remeasurements of post-employment benefit obligations | 21(a) | (2,342,022) | (1,686,771) | - | - |
| | | 5,464,717 | 3,935,800 | - | - |
| Other comprehensive income to be reclassified to profit or loss in subsequent years: | | | | | |
| | | | | | |
| Foreign currency translation differences for foreign operations | | 183,446,191 | 141,769,144 | - | - |
| Income tax relating to foreign currency translation differences for foreign operations | 20 | (55,033,857) | (42,530,743) | - | - |
| Net change in fair value of other financial assets FVOCI | | (18,354,491) | 10,561,699 | - | - |
| Income tax relating to change in fair value of other financial assets FVOCI | 20 | 5,506,347 | (3,168,510) | - | - |
| | | **115,564,190** | **106,631,590** | **-** | **-** |
| **Other comprehensive loss for the year, net of tax** | | **121,480,208** | **110,584,377** | **-** | **-** |
| **Total comprehensive income for the year** | | **1,139,283,057** | **650,239,051** | **364,704,851** | **106,401,876** |
| Total Comprehensive Income attributable to: | | | | | |
| Equity holders of the parent entity | | 1,111,563,164 | 637,016,096 | 364,704,851 | 106,401,876 |
| Non-controlling interests | | 27,719,893 | 13,222,955 | - | - |
| **Total comprehensive income for the year** | | **1,139,283,057** | **650,239,051** | **364,704,851** | **106,401,876** |

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

# Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

## Group

| In thousands of Nigerian Naira | Share capital | Share premium | Equity Reserve | Regulatory risk reserves | Statutory reserves | Other regulatory reserves[1] | Treasury shares | Fair value reserve | Foreign currency translation reserve | Retained earnings | Total equity attributable to parent | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 14,715,590 | 123,471,114 | 8,875,000 | 5,085,447 | 487,807,671 | 59,242,693 | (8,125,998) | 20,165,099 | 86,371,196 | 580,033,938 | 1,447,641,750 | 29,486,321 | 1,477,128,071 |
| **Total comprehensive income for the year:** | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 1,006,219,889 | 1,006,219,889 | 11,582,960 | 1,017,802,849 |
| **Other comprehensive income, net of tax** | | | | | | | | | | | | | |
| Foreign currency translation difference | - | - | - | - | - | - | - | - | 116,074,016 | - | 116,074,016 | 12,338,318 | 128,412,334 |
| Actuarial gain | - | - | - | - | - | - | - | - | - | 5,464,717 | 5,464,717 | - | 5,464,717 |
| Fair value adjustment | - | - | - | - | - | - | - | (16,195,458) | - | - | (16,195,458) | 3,798,615 | (12,396,843) |
| Total other comprehensive income/ (loss) | - | - | - | - | - | - | - | (16,195,458) | 116,074,016 | 5,464,717 | 105,343,275 | 16,136,933 | 121,480,208 |
| **Total comprehensive income/(loss)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(16,195,458)** | **116,074,016** | **1,011,684,606** | **1,111,563,164** | **27,719,893** | **1,139,283,057** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | | | | |
| Transfers for the year | - | - | - | 25,179 | 141,058,255 | 21,898,131 | - | - | - | (162,981,565) | - | - | - |
| Increase during the year[1] | 2,353,885 | 205,758,047 | - | - | - | - | - | - | - | - | 208,111,932 | - | 208,111,932 |
| (Acquisition)/disposal of own shares[1] | - | - | - | - | - | - | (3,163,602) | - | - | - | (3,163,602) | - | (3,163,602) |
| Dividend to equity holders[2] | - | - | - | - | - | - | - | - | - | (108,895,363) | (108,895,363) | (446,481) | (109,341,844) |
| | **2,353,885** | **205,758,047** | **-** | **25,179** | **141,058,255** | **21,898,131** | **(3,163,602)** | **-** | **-** | **(271,876,928)** | **96,052,967** | **(446,481)** | **95,606,486** |
| **Balance at 31 December 2024** | **17,069,475** | **329,229,161** | **8,875,000** | **75,110,626** | **628,865,926** | **81,140,824** | **(11,289,600)** | **3,969,641** | **202,445,212** | **1,319,841,616** | **2,655,257,881** | **56,759,733** | **2,712,017,614** |

[1] Please refer to Note 40
[2] Please refer to Note 41

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

# Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

## Group

| In thousands of Nigerian Naira | Share capital | Share premium | Equity reserves | Regulatory risk reserves | Statutory reserves | Other regulatory reserves[1] | Treasury shares | Fair value reserve | Foreign currency translation reserve | Retained earnings | Total equity attributable to parent | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2023 | 14,715,590 | 123,471,114 | 8,875,000 | 93,032,492 | 404,050,720 | 53,410,653 | (8,125,998) | 11,720,267 | (4,003,765) | 214,858,054 | 912,004,127 | 19,145,075 | 931,149,202 |
| **Total comprehensive income for the year:** | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 534,425,317 | 534,425,317 | 5,229,357 | 539,654,674 |
| **Other comprehensive income, net of tax** | | | | | | | | | | | | | |
| Foreign currency translation difference | - | - | - | - | - | - | - | - | 90,374,961 | - | 90,374,961 | 8,863,440 | 99,238,401 |
| Actuarial gain | - | - | - | - | - | - | - | - | - | 3,935,800 | 3,935,800 | - | 3,935,800 |
| Fair value adjustment | - | - | - | - | - | - | - | 8,280,018 | - | - | 8,280,018 | (869,842) | 7,410,176 |
| **Total other comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **8,280,018** | **90,374,961** | **3,935,800** | **102,590,779** | **7,993,598** | **110,584,377** |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **8,280,018** | **90,374,961** | **538,361,117** | **637,016,096** | **13,222,955** | **650,239,051** |
| **Transactions with equity holders, recorded directly in equity:** | | | | | | | | | | | | | |
| Transfers for the year | - | - | - | (17,947,045) | 83,756,951 | 5,832,040 | - | 164,814 | - | (71,806,760) | - | - | - |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (4,943,588) | (4,943,588) |
| Dividend to equity holders[2] | - | - | - | - | - | - | - | - | - | (98,716,019) | (98,716,019) | (600,575) | (99,316,594) |
| Transfer to Non-controlling interest | - | - | - | - | - | - | - | - | - | (2,662,454) | (2,662,454) | 2,662,454 | - |
| | - | - | - | (17,947,045) | 83,756,951 | 5,832,040 | - | 164,814 | - | (173,185,233) | (101,378,473) | (2,881,709) | (104,260,182) |
| **Balance at 31 December 2023** | **14,715,590** | **123,471,114** | **8,875,000** | **75,085,447** | **487,807,671** | **59,242,693** | **(8,125,998)** | **20,165,099** | **86,371,196** | **580,033,938** | **1,447,641,750** | **29,486,321** | **1,477,128,071** |

[1] Please refer to Note 40
[2] Please refer to Note 41

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

# Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

## Company

| In thousands of Nigerian Naira | Share capital | Share premium | Equity Reserve | Regulatory risk reserves | Statutory reserves | Other regulatory reserves | Fair value reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 14,715,590 | 123,471,114 | 8,875,000 | - | - | - | - | 168,800 | 147,230,504 |
| Total comprehensive income for the year: | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | 364,704,851 | 364,704,851 |
| Other comprehensive income, net of tax | | | | | | | | | |
| Total other comprehensive income | - | - | | - | - | - | - | - | - |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **364,704,851** | **364,704,851** |
| Transactions with equity holders, recorded directly in equity: | | | | | | | | | |
| Increase during the year [1] | 2,353,885 | 205,758,047 | | - | | - | - | - | 208,111,932 |
| Dividend to equity holders[2] | - | - | - | - | - | - | - | (108,895,363) | (108,895,363) |
| | **2,353,885** | **205,758,047** | **-** | **-** | **-** | **-** | **-** | **(108,895,363)** | **99,216,569** |
| **Balance at 31 December 2024** | **17,069,475** | **329,229,161** | **8,875,000** | **-** | **-** | **-** | **-** | **255,978,288** | **611,151,924** |

[1] Please refer to Note 40
During the year, the Company raised additonal capital through issuance of 4,707,770,460 ordinary shares. The shares were issued at premium.

[2] Please refer to Note 41
The accompanying notes to the financial statements form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

## Company

| In thousands of Nigerian Naira | Share capital | Share premium | Equity Reserve | Regulatory risk reserves | Statutory reserves | Other regulatory reserves | Fair value reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2023 | 14,715,590 | 123,471,114 | 8,875,000 | - | - | - | - | (9,110,185) | 137,951,519 |
| Total comprehensive income for the year: | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | 106,401,876 | 106,401,876 |
| | | | | | | | | | |
| Total comprehensive income | - | - | - | - | - | - | - | 106,401,876 | 106,401,876 |
| | | | | | | | | | |
| Transactions with equity holders, recorded directly in equity: | | | | | | | | | |
| Acquisition/disposal of own shares | - | - | - | - | | - | - | - | - |
| Dividend to equity holders[1] | - | - | - | - | - | - | - | (97,122,891) | (97,122,891) |
| | - | - | - | - | - | - | - | (97,122,891) | (97,122,891) |
| **Balance at 31 December 2023** | **14,715,590** | **123,471,114** | **8,875,000** | **-** | **-** | **-** | **-** | **168,800** | **147,230,504** |

[1] Please refer to Note 41

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

## Consolidated and Separate Statements of Cash Flows
For the year ended 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit for the year | | 1,017,802,849 | 539,654,674 | 364,704,851 | 106,401,876 |
| Adjustments for: | | | | | |
| Depreciation of property and equipment and right of use assets | 18 | 49,775,692 | 31,400,606 | 119,727 | 95,654 |
| Amortisation of Intangible assets | 18 | 8,257,133 | 7,694,837 | - | - |
| Gains on disposal of property and equipment | 15 | (187,598) | (11,581) | - | - |
| Impairment on financial assets | 39c(xii) | 164,329,699 | 197,945,659 | - | - |
| Restoration cost | 37(g) | (27,280) | 23,025 | - | - |
| Litigation Claims Provision | 37(d) | 1,576,854 | 9,100,352 | - | - |
| Net interest income | | (1,058,586,173) | (436,696,585) | - | - |
| Unrealised Loss on forward transactions | 15 | 39,720,767 | 584,714 | - | - |
| Unrealised Foreign exchange (gains)/loss | 15 | 1,948,497 | (74,524,051) | - | - |
| Unrealised Fair value gains on Financial instrument | 15 | (517,500,098) | (367,266,907) | - | - |
| Fair value changes for assets at FVTPL | 15 | (2,023,108) | 4,951,704 | - | - |
| Dividend income | 15 | (430,718) | (248,158) | (364,137,165) | (105,952,245) |
| Income tax expense | 20 | 248,443,224 | 69,653,768 | 1,042,894 | 1,581,672 |
| | | **(46,900,260)** | **(17,737,943)** | **1,730,307** | **2,126,957** |
| Net changes in: | | | | | |
| Financial assets at fair value through profit or loss | 39c(i) | (27,804,150) | 98,982,224 | - | - |
| Assets pledged as collateral | 39c(ii) | (22,387,791) | (1,673,146) | - | - |
| Loans and advances to banks and placements with banks | 39c(iii) | 34,572,844 | (280,677,452) | - | - |
| Loans and advances to customers | 39c(iv) | 289,249,454 | 337,687,364 | - | - |
| Restricted deposits and other assets | 39c(v) | (450,451,492) | (671,113,952) | - | 144,538 |
| Deposits from banks | 39c(vi) | 55,789,170 | (210,945,012) | - | - |
| Deposits from customers | 39c(vii) | 524,164,860 | 1,570,837,052 | - | - |
| Financial liabilities at fair value through profit or loss | 39c(viii) | 50,365,126 | (1,020,886) | - | - |
| Other liabilities | 39c(ix) | 331,840,954 | (329,121,372) | 204,695,484 | (9,559,562) |
| | | **785,338,975** | **512,954,820** | **204,695,484** | **(9,415,024)** |
| Interest received | 39c(x) | 1,375,412,095 | 532,657,859 | - | - |
| Interest paid | 39c(xi) | (249,683,507) | (116,090,051) | - | - |
| | | **1,125,728,588** | **416,567,808** | **-** | **-** |
| | | **1,864,167,303** | **911,784,685** | **206,425,791** | **(7,288,067)** |
| Income tax paid | 20(b) | (124,320,990) | (82,672,880) | (937,744) | (1,481,118) |
| **Net cash flows provided from/(used in) operating activities** | | **1,739,846,313** | **829,111,805** | **205,488,047** | **(8,769,185)** |

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

## Consolidated and Separate Statements of Cash Flows
For the year ended 31 December 2024

| In thousands of Nigerian Naira | Notes | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|---|
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Redemption of investment securities | 39c(xiii) | 4,062,649,804 | 2,948,382,151 | - | - |
| Purchase of investment securities | 39c(xiv) | (5,055,861,698) | (3,867,163,867) | - | - |
| Dividends received | 15 | 430,718 | 248,158 | 113,898,664 | 105,952,245 |
| Purchase of property and equipment and Right of use assets | 30 | (130,080,150) | (41,620,320) | (456,185) | - |
| Proceeds from the sale of property and equipment | | 227,312 | 79,986 | - | - |
| Investment in Subsidiaries | | - | - | (208,111,933) | - |
| Purchase of intangible assets | 31 | (55,196,356) | (10,978,926) | - | - |
| **Net cash flows from/(used in) from investing activities** | | **(1,177,830,370)** | **(971,052,818)** | **(94,669,454)** | **105,952,245** |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Repayment of long term borrowings | 39b | (50,537,692) | (54,480,987) | - | - |
| Proceeds from long term borrowings | 39b | 254,785,709 | 416,877 | - | - |
| Purchase of treasury shares | 40 | (3,163,602) | - | - | - |
| Payment of lease liabilities | 37f | (8,433,577) | (1,913,893) | - | - |
| Proceeds from share issue | 40 | 209,495,785 | - | 209,495,785 | - |
| Transaction cost | 40 | (1,383,853) | - | (1,383,853) | - |
| Dividends paid to owners | 41 | (108,895,363) | (98,716,019) | (108,895,363) | (97,122,891) |
| Dividends paid to non-controlling interests | 41 | (446,481) | (600,575) | - | - |
| Acquisition of non-controlling interests | 29 | - | (4,943,588) | - | - |
| **Net cash flows from/(used in) from financing activities** | | **291,420,926** | **(160,238,185)** | **99,216,569** | **(97,122,891)** |
| Net increase/(decrease) in cash and cash equivalents | | 853,436,869 | (302,179,198) | 210,035,162 | 60,169 |
| Cash and cash equivalents at beginning of the year | | 2,005,936,198 | 1,596,078,639 | 60,169 | - |
| Effect of exchange rate fluctuations on cash held | | 1,542,216,852 | 712,036,757 | - | - |
| **Cash and cash equivalents at end of the year** | **22(b)** | **4,401,589,919** | **2,005,936,198** | **210,095,331** | **60,169** |

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

# Notes to the Financial Statements

## 1. Reporting Entity

Guaranty Trust Holding Company PLC ("the Parent" or the "the Company") is a company incorporated in Nigeria. The address of the Company's registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the year ended 31 December 2024, are prepared for the Company and the Group (Holding Company and its subsidiaries, separately referred to as "Group entities") respectively. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

## 2. Basis of Preparation

The consolidated and separate annual financial statements for the year ended 31 December 2024 have been prepared in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act, the Financial Reporting Council of Nigeria Act and other relevant Cental Bank of Nigeria circulars.

IFRS does not explicitly specify the accounting treatment for a group restructuring / re-organisation but provides guidance on the choices available in accounting for such transactions. In accounting for this restructuring, the Group applied the pooling of interests method of accounting after taking the following into consideration:

- The assets and liabilities of the company and subsidiaries are reflected at their carrying amounts as no adjustments have been made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination. The accounting policies of the company and subsidiaries are well aligned upon the reorganization.
- No 'new' goodwill is recognised as a result of the reorganization.
- The consolidated income statements reflect the results of the company and its subsidiaries.

Although Guaranty Trust Holdings PLC commenced operations on August 1, 2021, the accounting information has been prepared as if the Group had always been in existence in its current form and prior period comparatives presented accordingly.

The Financial Statements were authorized for issue by the directors on 28 January 2025.

## 3.(a) Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. All entities within the Group apply the same accounting policies.

- **Functional and Presentation Currency**

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

- **Basis of Measurement**

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

» Derivative financial instruments which are measured at fair value.

» Assets and liabilities at fair value through profit or loss are measured at fair value.

» Assets and Liabilities held to maturity are measured at amortised cost.

» Fair value through other comprehensive income (FVOCI) financial assets are measured at fair value.

» Liabilities for cash-settled share-based payment arrangements are measured at fair value.

» The Employee benefit asset is recognized as the present value of the defined benefit obligation less the fair value of the plan assets.

» The plan assets for defined benefit obligations are measured at fair value.

- **Use of Estimates and Judgements**

The preparation of the financial statements in conformity with 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.

- **Changes to Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial period.

**Standards and Interpretations effective during the Reporting Period**

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2024. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.The amendment clarify:

» What is meant by a right to defer settlement.

» That a right to defer must exist at the end of the reporting period.

» That classification is unaffected by the likelihood that an entity will exercise its deferral right.

» That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

The amendment does not have any material impact on the Group.

- **Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback**

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full terminaton of a lease.

The amendment does not have any significant impact on the Group, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

- **Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements**

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

The amendment does not have any material impact on the Group.

**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:

| Standard | Content | Effective Data |
|---|---|---|
| IAS 21 | Lack of exchangeability | 01-Jan-25 |
| IFRS 9 & IFRS 7 | Classification and Measurement of Financial Instruments | 01-Jan-26 |
| IFRS 9 & IFRS 7 | Power Purchase Agreements | 01-Jan-26 |
| IFRS | Annual Improvement to IFRS Accounting Standards- Volume 11 | 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.

- **Amendments to IAS 21 – Lack of exchangeability**

In August 2023, the Board issued Lack of exchangeability amendments to IAS 21. The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

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

The amendment does not have any material impact on the Group.

- **IFRS 9 & IFRS 7 – 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

  » Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

  The amendment does not have any material impact on the Group

- **IFRS 9 & IFRS 7 – Contracts Referencing Nature – dependent Electricity**

  In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

  » Clarifying the application of the 'own-use' requirements

  » Permitting hedge accounting if these contracts are used as hedging instruments

  » Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

  The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

  The amendment does not have any material impact on the Group

- **Improvements to International Financial Reporting Standards**

  The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

  The following is the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter**

  » IFRS 7 Financial Instruments: Disclosures - Gain or Loss on Derecognition

  » Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Disclosure of Deferred Difference between Fair Value and Transaction Price

  » Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Credit Risk Disclosures

  » IFRS 9 Financial Instruments - Lessee Derecognition of Lease Liabilities

  » IFRS 9 Financial Instruments - Transaction Price

  » IFRS 10 Consolidated Financial Statements - Determination of a 'De Facto Agent'

  » IAS 7 Statement of Cash Flows - Cost Method

  » The amendment does not have any material impact on the Group

- **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

**(b) Other Material Accounting Policies**

Other accounting policies that have been applied are:

**(a) Consolidation**

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as at the Holding Company's reporting date. The consolidation principles are unchanged as against the comparative period.

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Company Control exists when the Company has:

» power over the investee;

» exposure, or rights, to variable returns from its involvement with the investee; and

» the ability to use its power over the investee to affect the amount of the investor's returns.

**Acquisition of subsidiaries**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure at the acquisition date components of non-controlling interests in the acquiree at its fair value, or at its proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

**(ii) Structured entity**

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity is consolidated if the Group is exposed, or has rights to variable returns from its involvement with the Structured Entity and has the ability to affect those returns through its power over the Structured Entity. Power is the current ability to direct the activities that significantly influence returns.

**(iii) Accounting method of consolidation**

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective acquisition date and or up to the effective date on which control ceases, as appropriate. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

**(iv) Transactions eliminated on consolidation**

Intra-group balances, income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Profits and losses resulting from intra-group transactions are also eliminated.

**(v) Non-controlling interest**

The Group applies IFRS 10 Consolidated Financial Statements (2011) in accounting for acquisitions of non-controlling interests. Under this accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

**(b) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

**(ii) Transactions and balances**

Foreign currency transactions, that is transactions denominated, or that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity.

**(iii) Group Entities**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each Income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 'Other comprehensive income'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**(c) Interest**

Interest income and expense for all interest-earning and interest-bearing financial instruments are recognised in the income statement within "interest income" and "interest expense" using the Effective Interest Method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the Income statement include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on financial assets measured at fair value through OCI calculated on an effective interest rate basis.

Whilst interest revenue is always required to be presented as a separate line item, it is calculated differently according to the status of the asset with regard to credit impairment.

For a financial asset that has not become credit impaired since initial recognition, interest revenue is calculated using a 'gross method' of applying the effective interest rate method to the gross carrying amount of the asset (i.e. its carrying amount excluding the loss allowance).

For a financial asset that subsequently has become credit-impaired, from the beginning of the next reporting period, interest revenue is calculated using a 'net method' of applying the effective interest rate to the net amortised cost balance (i.e. including the loss allowance).

### (d) Revenue from contract with customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five step model requires the Company to (i) identify the contract with the customer, (i" identity each of the performance obligations included in the contract, (il) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

**Guaranty Trust Pension Managers Limited**

Revenue recognition by the Pension Manager subsidiary are under the following;

**Asset Based Fees:** These are fees earned on pension funds by the company and held by fund custodians as stipulated by Pension Reform Act 2014. It is earned over time and invoiced on a preceding month basis at the approved rates for the various funds under the multi-fund structure.

**Fee Income earned from administrative services:** These are fees earned over time from contributors to cover cost of administering each Retirement Savings Account. The Company does not recognize revenue from a contributor that has not made contribution for a particular month. The performance obligation is satisfied over the administration of each Retirement Savings Account.

**Fee Income from providing management services:** Fees earned for the provision of services over a period of time are accrued over that period. That is, the fees are invoiced on a preceding month basis but accrued on a daily basis on the fund. These fees include the administration and supervision of Pension Fund Assets. Revenue recognized is based on a percentage of the opening Net Asset value of the Pension Fund investment at the beginning of the period of charge. The performance obligation is satisfied over the administration and supervision of Pension Fund Assets.

**Guaranty Trust Fund Managers Limited**

Guaranty Trust Fund Managers Limited provides funds management services to individuals and corporate organisations. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

**Payments Company - HabariPay Limited**

The Company's sources of revenue are derived from the following:

Net commission recognized on merchant service charged to transaction value processed on behalf of our merchants.

Sales margin recognized on bills payments i.e., airtime vending, and bulk SMS sent on behalf of our customers.

The Company has generally concluded that it is the principal in its revenue arrangement. The five-step model as suggested by IFRS-15 has been followed in recognizing revenue.

### (e) Fees and commission

Fees and Commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. These fees are management fees on non revolving credit facilities.

Other fees and commissions which relates mainly to transaction and service fees, including commitment fees which are charged on undisbursed portion of credit facilities, investment management and other fiduciary activity fees, sales commission, placement line fees, syndication fees and guarantee issuance fees are recognised at a point in time, or over time as the related services are provided / performed.

**Payments Company - HabariPay Limited**

The Payment Company's fees and commissions are derived from net commissions recognized on merchant services charged to transaction value processed on behalf of our merchants. Revenue related to the above transactions are recognized at the point in time when the transaction takes place.

**Guaranty Trust Fund Managers Limited**

Fees and commissions in the Fund Manager subsidiary are recognized on an accrual basis for the period under review at amortized cost. The management fees earned on funds being managed are as stipulated by the guiding of the respective individual trust deeds.

### (f) Net gains on financial instruments held at fair value through profit or loss.

Net trading income comprises gains less losses related to trading assets and liabilities, and it includes all fair value changes, dividends and foreign exchange differences.

### (g) Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to derivatives held for risk management purposes that do not form part of qualifying hedge relationships. Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through profit or loss, are presented in Other Income – Mark to market gain/(loss) on trading investments in the Income statement.

### (h) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends on trading equities are reflected as a component of Net gains on financial instruments held at fair value through profit or loss. Dividend income on long term equity investments is recognised as a component of other income.

### (I) Leases

Leases (right-of-use asset) are accounted for in accordance with IFRS 16 and are accounted for in line with the following based on whether the Group is the Lessor or the Lessee:

#### (i) The Group is the lessee

At the commencement date, the Group recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability, the right-of-use asset is included in Restricted deposit and other assets. The Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The corresponding lease liabilities, where applicable, are included in other liabilities. The interest element of the lease liabilities is charged to the Income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### (ii) The Group is the lessor

When assets are leased to a third party under finance lease terms, the present value of the lease income is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

### (J) Income Tax

#### (i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and it consists of Company Income Tax, Education tax, NITDEF tax and Nigeria Police Trust Fund levy. Company Income tax is assessed at a statutory rate of 30% of total profit or Dividend Declared, whichever is higher. Education tax is computed as 3% of assessable profit, NITDEF tax is a 1% levy on Profit before tax of the Bank, and Nigeria Police Trust Fund Levy is 0.005% of Net profit.

Current income tax is recognised as an expense for the period except to the extent that current tax is related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, deferred tax is charged or credit to other comprehensive income or to equity (for example, current tax on FVOCI).

Where the Group has tax losses that can be relieved only by carrying it 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.

The Group evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability, which has been adequately provided for in the financial statements. The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets

**(ii) Deferred income tax**

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

However, the deferred income tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of FVOCI investments and cash flow hedges, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the income statement together with the deferred gain or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**(k) Financial assets and liabilities**

**i. Recognition**

The Group on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. For non-revolving facilities, origination date is the date the facility is disbursed, origination date for revolving facilities is the date the line is availed, while origination date for credit card is the date the credit limit is availed on the card. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

**ii. Classification and Measurement**

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

**Business Model Assessment**

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Bank takes into consideration the following factors:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
- how the performance of assets in a portfolio is evaluated and reported to Group heads and other key decision makers within the Bank's business lines;
- the risks that affect the performance of assets held within a business model and how those risks are managed;
- how compensation is determined for the Bank's business lines' management that manages the assets; and
- the frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;
- Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
    - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
    - Selling the financial asset to manage credit concentration risk (infrequent).
    - Selling the financial assets as a result of changes in tax laws (infrequent).
    - Other situations also depends upon the facts and circumstances which need to be judged by the management.

**Cash flow characteristics assessment**

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows

from specified assets (e.g. non-recourse asset arrangements); and

- Features that modify consideration of the time value of money.

### (a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortisation is included in Interest income in the Consolidated and Separate Income Statement. Impairment on financial assets measured at amortised cost is calculated using the expected credit loss approach.

Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

### (b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Consolidated and Separate Income Statement. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognized in the Consolidated and Separate Income Statement. Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to Interest income in the Consolidated and Separate of Income Statement using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

### (c) Financial assets measured at FVTPL

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated and Separate Statement of Financial Position, with transaction costs recognized immediately in the Consolidated and Separate Income Statements as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Consolidated and Separate Income Statements.

### (d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets.

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the Consolidated and Separate Income Statement. The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated and Separate Income Statement. Dividends received are recorded in other income in the Consolidated and Separate Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated and Separate Income Statement on sale of the security. Transaction cost on disposal of equity instruments is recognised as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Profit or Loss (FVTPL)

### (e) Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments held at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Consolidated and Separate Statement of Income, except for changes in fair value arising from changes in the Bank's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Consolidated and Separate Income Statement upon derecognition/extinguishment of the liabilities.

**(f) Financial Liabilities at amortised cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the Effective Interest Rate method. Financial liabilities measured at amortised cost are deposits from banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

**Cash and bank balances**

Cash and bank balances include notes and coins on hand, unrestricted balances held with central banks, balances held with other banks and Money market placements which are used by the Group in the management of its short-term commitments.

Cash and Cash equivalents referred to in the statement of cash flow comprises cash in hand, non-restricted balance held with central banks and amount due from banks on demands with an original maturity of three months or less.

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

**iii. Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 31 January 2018, the reclassification date will be 1 April, 2019 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 31 January, 2018. Gains, losses or interest previously recognised are not restated when reclassification occurs.

**iv. Modification of financial assets and liabilities**

**(a) Financial assets**

The Group sometimes modifies the contractual cashflows of loans to customers. Where the terms of a financial asset are modified via amendments to the loan agreements, the Group evaluates whether the cash flows of the modified asset are substantially different from the original cashflows. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost of the original financial asset and the present value of the estimated future cashflows of the new asset is debited or credited to the customer's account.

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan include but not limited to:

- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower.
- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term.
- Conversion of a loan from one currency to another currency.
- Extension of maturity dates will lead to modification and derecognition of existing loan and recognition of a new loan.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group shall recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss. For example, contractual cashflows of loan to customers may also be modified due to blanket payment holidays imposed by law and regulations and effective automatically without amendments being made to the loan agreements. In this scenario, the bank revises the expected gross carrying amount by discounting the rescheduled payments at original effective interest rate and the resulting loss is recognised immediately in Other income in Profit or loss as a cumulative catch-up adjustment.

Fees that are considered in determining the fair value of modified financial asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset and form part of the effective interest on the modified financial asset while other fees are included in profit or loss as part of the gain or loss on derecognition.

Impairment assessment is performed on modified financial assets before modification.

### (b) Financial Liabilities

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

#### De-recognition of financial instruments

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

### (v) Impairment of Financial Assets

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortised cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVPL are not subjected to impairment under the standard.

#### Expected Credit Loss Impairment Model

The Group's allowance for credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

**Measurement of Expected Credit Losses**

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

- Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off balance sheet exposures.

**Forward-looking information**

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires that:

- The Group uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.

- Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, crude-oil prices and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.
- Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.
- Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

**Macroeconomic factors**

The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before incorporated in the ECL model. Any subsequent changes to the forward looking information are also approved before such are inputted in the ECL model.

The macro economic variables are obtained for 3 years in the future and are reassessed every 6 months to ensure that they reflect prevalent circumstances and are up to date.

Where there is a non-linear relationships, one forward-looking scenario is never sufficient as it may result in the estimation of a worst-case scenario or a best-case scenario. The Bank's ECL methodology considers weighted average of multiple economic scenarios for the risk parameters (basically the forecast macroeconomic variables) in arriving at impairment figure for a particular reporting period. The model is structured in a manner that the final outcome, which is a probability cannot be negative.

SICR is assessed once there is an objective indicator of a deterioration in credit risk of customer. In addition, the Bank as part of its routine credit processes perform an assessment on a quarterly basis to identify instances of SICR.

**Multiple forward-looking scenarios**

The Group determines allowance for credit losses using three probability-weighted forward-looking scenarios. The Group considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs.

The ' normal case' represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank 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, credit risk and credit losses.

**Assessment of significant increase in credit risk (SICR)**

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau, etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

**Definition of Default and Credit Impaired Financial Assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired. In addition, loans that are more than 90 days past due are considered impaired.

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

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

**Presentation of allowance for ECL in the statement of financial position**

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

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

**(vi) Write-off**

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- The bank's recovery method is foreclosing collateral

and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialed by the approving authority.

A write-off constitute a derecognition event. 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 amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

### (vii) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument. Where a hybrid contains a host that is a financial asset in the scope of IFRS 9, the entire hybrid contract, including the embedded features, is measured at FVTPL.

### (viii) Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

## (l) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through profit or loss or fair value through other comprehensive income. See description in accounting policy Note J (ii) above.

## (m) Derivatives held for risk management purposes

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes in fair value recognised in profit or loss.

## (n) Repossessed Collateral

In certain circumstances, property is repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within 'Other assets'.

## (o) Investment in subsidiaries

Investments in subsidiaries are reported at cost less any impairment (if any) in the separate financial statement of the Bank.

A subsidiary is not consolidated but classified as 'held for sale' if it is available for immediate sale in its present condition and its sale is highly probable. A sale is 'highly probable' where: there is evidence of management commitment; there is an active programme to locate a buyer and complete the plan; the asset is actively marketed for sale at a reasonable price compared to its fair value; the sale is expected to be completed within 12 months of the date of classification; and actions required to complete the plan indicate that it is unlikely that there will be significant changes to the plan or that it will be withdrawn.

### (p) Property and equipment

#### (i) Recognition and measurement

The Group recognises items of property and equipment as assets when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably, items of property and equipment is recognised at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.

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

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (q) on impairment of non-financial assets.

#### (ii) Subsequent costs

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

#### (iii) Depreciation

Depreciation is recognised in the income statement 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:

| Item of Property and Equipment | Estimated Useful Life |
|---|---|
| **Leasehold improvements and buildings:** | |
| Leasehold improvements | Over the shorter of the useful life of the item or lease term |
| Buildings | 50 years |
| Leasehold Land | Over the remaining life of the lease |
| **Furniture and equipment:** | |
| Furniture and fittings | 5years |
| Machine and equipment | 5years |
| Computer hardware | 3years |
| **Motor vehicles:** | 4years |

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Cost of leasehold land is amortised over the remaining life of the lease as stated in the certificate of occupancy issued by Government.

#### (iv) De-recognition

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

### (q) Intangible assets

#### (i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets.

**Subsequent measurement**

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(ii) Software**

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

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalised. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is five years or over the life of the contract.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### (r) Impairment of Non financial assets

The carrying amounts of the Group's non-financial assets, inclusive of deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

### (s) Deposits, debt securities issued

Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Deposits and debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

### (t) Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Group recognizes no provision for future operating losses.

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

### (u) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. After initial recognition, guarantee contracts are subsequently measured at the higher of:

a) The amount of the loss allowance, and

b) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Financial guarantees, principally consisting of letters of credit are included within other liabilities.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The Group recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

### (v) Employee benefits

#### (i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The rate of contribution by the Bank and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered Pension Fund Administrators (PFA) on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the Statements of Comprehensive Income 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.

#### (ii) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the Statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the Statements of financial position less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions in excess of the plan assets or of the defined benefit obligation are charged or credited to Other Comprehensive Income in the financial year in which they arise. Past-service costs are recognised immediately in the Income statement.

#### (iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### (iv) Short-term employee benefits

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

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

#### (v) Share-based payment transactions

Guaranty Trust Bank operates a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) - Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the bank's management personnel to enhance employee retention, by offering the shares acquired by the SPV by way of Share Appreciation Rights (SARs) and Stock Options (hybrid plan) to qualifying members of staff at prevailing net book value.

Acquisition of the bank's shares by the SPV was by means of an overdraft facility extended to the scheme. The hybrid nature (i.e. mix of SARs and Stock Options) entitles the scheme to cash dividend which it uses to defray its obligations on the facility, make dividend payments to members that furnished consideration and extinguish its liability to exiting members. Employees exiting the scheme are granted the right to redeem their holdings for cash at the prevailing market price on fulfilment of specified vesting conditions.

At each reporting period, the fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. Any change in the fair value of the liability is recognized as personnel expense in the bank's income statement.

### (w)Share capital and reseves

#### (i) Share issue costs

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

#### (ii) Dividend on the Bank's ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity when approved by the Bank's shareholders.

#### (iii)Treasury shares

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

#### (vi)Earnings per share

The Group presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

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

### (x) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs directly traceable to the operating segments are allocated to the segment concerned, while indirect cost are allocated based on the benefits derived from such costs.

#### Habaripay Limited

The following summary describes the operations in each of the Payment Company's reportable segments:

Payment Gateway: payments processed via virtual accounts, USSD, card and bank transfer channels for merchants classified as tech stars, large corporates, small and medium enterprise, and micro merchants

Switching Vertical: payment processed through our payment Switch i.e., account to account bank transfers and card transactions.

Value Added Vertical: bill payments for airtime vending and distribution of bulk SMS processed through Value Added Service Aggregators licensed by Nigeria Communications Commission.

### (y) Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- Those outflows of resources that are within the scope of other Standards (such as income taxes that are within the scope of IAS 12 Income Taxes); and
- Fines or other penalties that are imposed for breaches of the legislation

The Group recognises a levy when the obligating event that gives rise to a liability as identified by the legislation, occurs. This triggers the obligation to pay the levy and recognise the expense for the period.

### (z) Stocks

Stocks include consumables and cards held for resale or subsequent issuance to customers. They are measured at lower of cost and net realizable value. Cost comprises of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realizable value is the estimated issuance price. When items of stocks are issued to customers, their carrying amount is recognized as an expense in the period in which the relevant revenue is recognized.

## 4. Financial Risk Management

### a) Introduction and overview

The Group has a robust risk management framework comprising policies, procedures, and methodologies integrated under a risk governance structure which conforms to global best practices and local regulations. The risk policies and methodologies adopted within the Group strive to cover the material risk factors that may adversely impact its operations, financial conditions, strategies, reputation, and investments in its area of operations. These policies are subject to the governance structure in all the subsidiaries within the Group. The Board of each of the subsidiaries, through designated committees, has an oversight function over risk management.

These risk factors can result in material losses or lead to a decline in the earnings of the Group where the appropriate risk mitigants are not deployed. Generally, the major risks the Group is exposed to include credit risk, operational risk, market risk, liquidity risk, cybersecurity risk, reputational risk, and regulatory risk, amongst others. The Group considers the management of these risks as critical to its performance and its going concern status and ensures that these risks are properly mitigated and managed. A review of the material risks that the Group is exposed to is outlined below:

| Material risks in 2024 | Areas of focus | 2024 in review |
|---|---|---|
| Credit risk / Counterparty risk | • Stable credit portfolio backed by strong underwriting practices.<br>• Focused lending to investment-grade customers with strong cash flows.<br>• Focused investments in low to medium-risk counterparties | • **Improving** credit landscape in the Group.<br>• Risk to the economic outlook due to macroeconomic challenges, inflation, currency depreciation, and interest rate volatility.<br>• Heightened counterparty/investment risks. |
| Market risk | • Maintained floating lending rates and monitored currency exposure for lending, investment, and trading activities.<br>• Hedge against interest rate and FX rate fluctuations.<br>• Close monitoring of market risk exposures and trading positions | • **Declining**, upward reviews in cash reserve requirements and interest rate hikes to moderate inflationary pressures.<br>• Conduct continuous reviews on markets where GTCO is operational |
| Liquidity risk | • Maintenance of good international and local ratings.<br>• Ensuring improved customer service and system stability<br>• Maintenance of strong liquidity position with high-quality marketable and liquid assets.<br>• Monitoring of the group's funding profile. | • **Improving**, strong market presence.<br>• Well-diversified deposit base<br>• Maintained strong liquidity ratio and liquidity coverage ratio. |
| Operational risk (includes compliance risk) | • Update security standards group-wide.<br>• Continuous awareness to customers to protect them against fraud attempts<br>• Increasing investments in fraud detection and prevention management tools<br>• Financial crime risk management | • **Improving**, a decline in fraud attempts and security escalations. Fraud loss was reduced in 2024.<br>• Cybersecurity fraud was also on the decline. |
| Capital risk | • Enhancing the group's investment decisions. Continue to make well-informed investment decisions.<br>• Adoption of a robust dividend retention policy<br>• Maintenance of a strong capital position through organic capital generation | • Capital remains robust with a Capital adequacy ratio of 39.31%<br>• Completed the first phase of the capital raising exercise in GT Bank Nigeria. |

| | | |
|---|---|---|
| Regulatory Risk | • Regular monitoring of the regulatory environment.<br>• Provide prompt treatment and response to regulatory inquiries | • **High**, regulatory environment continues to evolve with new requirements.<br>• Some subsidiaries were fined for regulatory infractions. |

The risk management culture within the subsidiaries in the Group is built based on objectives such as the tone at the top, the responsibility of all employees, communication, and the continuous synergy among the subsidiaries.

To continually sustain its strong risk culture, the Group adopted the COSO definition of Enterprise Risk Management (ERM), which depicts ERM as a process driven by an entity's Board of Directors, Management, and other personnel. It is applied in setting strategies, facilitates the identification of potential events that may affect the entities within the Group, manages risks within the risk appetite set, and enables the achievement of the Group's objectives.

Risk Management continues to provide oversight and advisory responsibilities by ensuring that robust risk management principles are adopted in the Group's business activities to identify potential threats, foster the adoption of appropriate control measures, and curtail risks in achieving the desired objectives.

### Risk Management Philosophy

The Group's risk management philosophy describes its attitude to risk taking. It is the driving force behind all the decisions made in the conduct of business activities and operations from a risk perspective. This is fittingly summarized in the following statement:

**"To enhance shareholders' value by creating and maintaining a culture of intelligent risk-taking."**

This philosophy is further cascaded into working statements through the following risk principles:

- The Group's decisions will be based on a careful analysis of its operating environment as well as the implications of the identified risks to the achievement of its strategic goals.
- The Group will not take any action that will compromise its integrity
- Risk control will serve to enhance the achievement of strategic objectives.
- The Group will always comply with all government regulations and continually espouse global best practices.
- Risk management will form a key part of the Group's strategy-setting process
- The Group will only assume risks that fall within its risk appetite with appropriate returns.
- The Group shall adhere to the risk management cycle of identifying, measuring, controlling and reporting risks.
- The Group shall continually review its activities to determine the level of inherent risks and deploy appropriate risk responses at all times.

### Risk Appetite

The Group recognizes that there are inherent risks associated with the pursuit of growth opportunities in achieving its strategic objectives. While the risk philosophy articulates how inherent risks are considered when making decisions, the Board and Management of the subsidiaries determine the risks that are acceptable based on their capabilities in terms of people, capital, and technology.

The parameters for the Group's risk appetite are established by the Board via the provision of guidance, ensuring that the annual budgets and forecasts for the Group are reviewed and approved and the regular monitoring of the Group's performance compared to the set risk appetite.

The risk appetite is defined by several parameters, which are reviewed and translated into triggerlimits for the various risks applicable to the company and its subsidiaries.

### Risk Appetite Statement

"The Group will maintain a moderate risk appetite in its quest of becoming an ecosystem of financial services, by dominating priority sectors across Africa, leveraging on technology and containing its operating costs to remain profitable, nonetheless, avoiding unnecessary risks".

The Group's risk appetite statement expresses the attitude and position of the Board and Management on the approach to risk adopted across all the businesses compared to set strategic objectives. The statement is driven by our risk culture, our set objectives and our operational environment. In determining our risk appetite statement as a Group, we have taken into consideration quantitative and qualitative factors that measure our risk profile. The identified risk factors include:

- Capital Adequacy
- Earnings Growth (Profit Before Tax)
- Earnings Quality (Net Interest Margin)
- Return on Asset
- Issuer Debt Rating
- Return on Equity
- Cost-to-Income
- Asset quality (Non-Performing Loan) and Coverage

- Cost of Risk
- Liquidity and Coverage Ratio
- Risk Asset Funding
- Obligor and Sector Concentration
- Staff Attrition
- Stop Loss Limit
- Operational Risk Loss

### Risk Tolerance

To achieve the desired impact of the risk appetite statement across all business divisions, the Group defined the risk tolerances applicable to the risk factors for measurement and monitoring purposes and to enhance decision-making. The tolerances are measured via a three-leg limit system that measures an extreme upper region signifying high risk or unacceptable risk level, a middle range region known as a trigger point, and a lower region signifying a low risk or acceptable risk level. These classifications establish the acceptable levels of variation relative to the Group's desired objective.

The set risk tolerance levels require the approval of the Board of Directors in each of the entities within the Group. The risk tolerance limits are monitored periodically using a dashboard that estimates the status of each risk factor. The result of the dashboard is made available to the Management and Board of Directors in each entity by the respective Head of Risk to aid decision-making. The Group's approach to the management of risk is independent, and it facilitates the segregation of responsibilities.

### (b) Risk Management Framework

The Group's Risk Management Framework is built on a well-defined organizational structure and established policies to guide in the function of identifying, analyzing, monitoring, and managing the various risks inherent in the Group's business, as well as setting appropriate risk limits and controls to align the risks with strategic objectives.

While the Board is not involved in the day-to-day risk management function, the risk oversight functions are delegated to the Board Risk Management and Investment Committee, which is accountable to the Board. The Head of Risk and Compliance in the holding company shall bring to the Board's attention the material risks in the Group and assist the Board in understanding and evaluating how these risks interrelate, how they may affect the Group, and how the risks are managed.

This Committee is responsible for reviewing and recommending for the approval of the Board the Company's Risk Management policies, overseeing the process of identifying significant risks, and also overseeing the adequacy of risk mitigation, prevention, and reporting mechanisms. The Committee is made up of Executive, Non-Executive, and Independent Non-Executive members.

The Board has also delegated its audit oversight functions to the Board Audit Committee, which is responsible for evaluating the Group's internal control and assurance framework annually, to satisfy itself on the design and completeness of the framework relative to the activities and the risk profile of the Company and its Subsidiaries.

The Board Committees include:

- Board Risk Management and Investment Committee
- Board Information Technology Strategy Committee
- Board Governance, Nominations, and Remuneration Committee
- Statutory Audit Committee
- Board Audit Committee

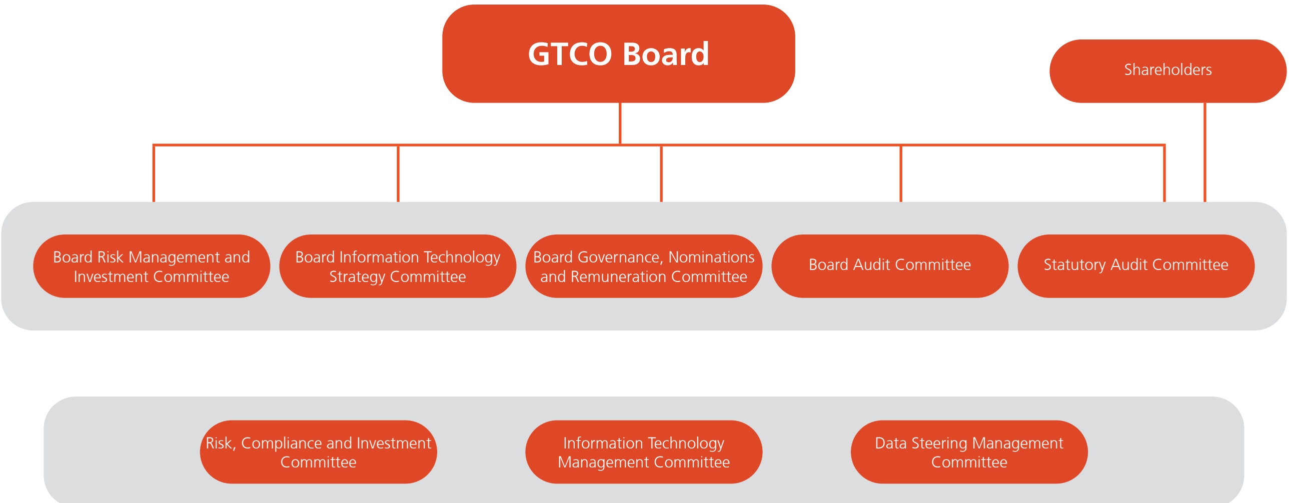
Executive Management oversight function is also carried out at the Group and subsidiary level via Management Committees; the focus of these Committees is the review and appraisal of inherent risks in the operations of the Holding Company and the subsidiaries.

Generally, the operational committees in the Holding Company include:

- Risk, Compliance, and Investment Committee
- Information Technology (IT) Management Committee
- Data Steering Management Committee

These committees meet on a quarterly/biannual basis.

The chart below illustrates the principal standing committees of the Board and senior management-level committees in GTCO's risk governance and oversight structure.



**Three Lines of Defence Model**

The three lines of defence model is adopted in managing risks in the Group. The groups include:

- Functions that own and manage the risks.
- Functions that oversee risks.
- Functions that provide independent assurance.

First Line of Defence: Owns and manages the risks. They are responsible for implementing corrective actions to address process and control deficiencies. They ensure the maintenance of effective internal controls and execute risk and control procedures on a day-to-day basis. They also identify, assess, control, and mitigate risks to ensure the achievement of set goals and objectives.

Second Line of Defence: Established to perform a policy-setting and monitoring role. It is essentially a risk management and compliance function that facilitates and monitors the implementation of effective risk management practices and the Compliance function across the Group. They monitor risks and ensure compliance with applicable laws and regulations. They are also responsible for identifying known and emerging issues, providing a risk management framework, assisting management in developing processes and controls to manage risks, monitoring the adequacy and effectiveness of internal control, accuracy, and completeness of reporting, and timely remediation of deficiencies.

Third Line of Defence: Provides objective assurance on the effectiveness of governance, risk management, and internal controls. The scope of the assurance, which is reported to Senior Management and the Board, covers a broad range of objectives, including the efficiency and effectiveness of operations, safeguarding of assets, reliability, and integrity of reporting processes, and our compliance with laws, regulations, policies, procedures, and contracts. It also includes all elements of the risk management and internal control framework.

The Company's Board, in its risk oversight function, has delegated the Board Risk Management and Investment Committee to monitor the risk profile of the Group on its behalf and provide an overview of the Group's risk assessment at quarterly meetings.

**The Board Risk Management and Investment Committee**

The Risk Management and Investment Committee is responsible for several critical functions. These include reviewing and recommending firm-wide risk management policies, risk profiles, and limits for the approval of the Board of Directors. The Committee also determines the adequacy and effectiveness of the risk detection, measurement, and control systems. They also oversee the process of identifying significant risks, in addition to the adequacy of mitigating, preventing, and reporting the risks detected within the Group.

**Risk, Compliance, and Investment Committee**

The Risk, Compliance, and Investment Committee is the Management team that reviews and monitors the overall risk portfolio in the Group and ensures that the Group is safeguarded against internal and external material surprises. The risks reviewed include credit risk, operational risk, market risk, and others.

The Committee also reviews the implementation of the Group's Compliance policies and procedures to assess the effectiveness and ensure that the decisions and policies emanating from the Board Risk Management and Investment Committee meetings are implemented.

The Committee is also responsible for ensuring that the holding company adopts an optimal investment mix that is consistent with its risk profile.

**Group Risk and Compliance Function**

The Risk and Compliance function in the Company identifies, monitors, and reports the implementation of risk management policies and procedures for the Holding Company and the Group. The function is also a second line of defence that is responsible for monitoring and overseeing the Compliance risks that the Group is exposed to and ensuring that the Group complies with applicable laws and regulations.

Other responsibilities include identifying known and emerging risks within the Group, maintaining the Risk Management Framework, assisting management in developing processes and controls to manage risks, ensuring compliance with the relevant regulatory policies, elevating risk awareness by facilitating relevant compliance training programmes, and mitigating compliance risks in the Group. Nonetheless, each Subsidiary in the Group has a head of risk and a head of compliance who is responsible for the day-to-day management of risk and compliance functions in the subsidiaries. The Heads of Risk and the Heads of Compliance in the subsidiaries report to their relevant Board Committees and administratively to their Managing Directors.

The Head of the Company's risk and compliance function reports to the Board Risk Management and Investment Committee and administratively to GTCO Plc's Chief Executive Officer.

**(c) Risk Management Methodology**

The Group recognizes that it is in the business of managing inherent risks to derive optimal value for all the stakeholders. It has, therefore, over the years, detailed its approach to risk management through various policies and procedures, which include the following:

- ERM Policies
- Credit Policy Guide
- Market & Liquidity Risk Policy
- Human Resources Policy Manual
- Quality Manual
- Standard Operating Procedures
- IT Policy
- Environmental & Social Risk Management Policy
- Climate Risk Policy
- Operational Risk & Business Continuity policy

**(d) Risk Management Overview**

The Enterprise-Wide Risk Management in the Group is responsible for optimizing the risks and returns inherent in the Group's businesses through effective collaboration with the business-facing units. The risk management infrastructure encompasses a comprehensive approach to identifying, managing, monitoring, and reporting risks with a focus on the following:

(i) Inherent Risk Groups – Credit, Market, Operational, Liquidity, and Information Security.

(ii) Other Risk Areas – Liquidity, Concentration, Reputational, Strategy, Legal, Fraud, Compliance, and Model Risk

In line with best global practices, the Group incorporated a strategic framework for the efficient measurement and management of risks and capital. The Group has put in place qualitative and quantitative measures that will assist in enhancing its risk management processes and creating a platform for more risk-adjusted decision-making.

### (e) Credit risk

Credit risk is the most critical risk for the Group as credit exposures arising from the lending activities of the Group's banking subsidiary, which accounts for the major portion of the Group's assets and revenue base. Consequently, the Group ensures that credit risk-related exposures are properly monitored, managed, and controlled.

Lending and other financial activities form the core business of the Group, and in recognition of this, great emphasis is placed on the effective management of the Group's exposure to credit risk. The Group defines credit risk as the risk of failure by a counterparty to meet the terms of its lending contracts with the Group or otherwise to perform as agreed. Credit risk arises anytime funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements.

The Group is also exposed to credit/default risk in its non-banking subsidiaries, which are the Fund Managers and Pension businesses. This risk occurs when the other party in an investment transaction defaults on their contractual obligations.

Each business unit in the Group is required to implement its credit policies and procedures in line with the credit policy guide approved by the Board. These business units are responsible for the quality and performance of their credit portfolio and for controlling the credit risks in their portfolio. The Internal Audit and Credit Administration Units in the subsidiaries undertake the credit quality reviews of the business units.

The Group continues to focus attention on intrinsic and concentration risks inherent in its businesses to effectively manage portfolio risk. The credit portfolio concentration limits are set and measured under concentration limits per obligor, business line, sector, rating grade, geography, and collateral.

The Group drives the credit risk management processes using appropriate scalable technology to achieve global best practices. To comply with the CBN requirements on the implementation of Basel II, especially with the computation of capital adequacy ratio and market disclosure, the Group invested in software that is customized to suit its internal processes and seamlessly interact with its core application.

To meet the Basel II (Pillar 2) requirements, the Group developed a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) document, which details the approaches and procedures of how the Group measures and computes its various risks and capital requirements. The document also contains details of the capital planning process, and it is updated annually.

The Group constantly monitors its Internal Capital Requirement, which is the amount of capital needed to cover the Group's exposure to the different material risks in its operations. In addition, capital required for credit concentration risk, fraud risk, reputational risk, compliance risk, strategic risk, liquidity risk, and model risk are computed using internal models. All these varied risk types are quantified under Pillar II.

#### (i) Credit Risk Measurement

In line with IFRS 9, the Group has adopted the Expected Credit Loss (ECL) approach effective January 1, 2018. IFRS 9 adopts a dual measurement approach to determining expected credit loss. The 12-month ECL applies to credit exposure in Stage 1, where there is no significant deterioration in credit quality. It is computed as a loss allowance. The lifetime ECL is the loss allowance computed for credit exposures in Stages 2 and 3. As part of the evolving risk culture, the Group developed internal rating models along its business segments (Corporate, Commercial, Retail, Business Banking, and Small and Medium Enterprises) consistent with international rating agencies with historical data of over five years. This has enabled the Group to successfully implement the Internal Rating Approach as well as the implementation of Expected Credit Loss measurement.

IFRS 9's Expected Credit Loss measurement approach is a proactive way of determining the extent of future loss(es) associated with risk exposures in the Group's portfolio. The key aspect of the ECL approach is the incorporation of the macroeconomic indicators (forecast) into the computation of the future credit loss. The credit impairment under IFRS 9 is determined using a forward-looking method of impairment evaluation by assuming that every risk exposure has inherent credit loss.

The Group undertakes lending activities after a careful analysis of the borrowers' character, capacity to repay, cash flow, credit history, industry conditions, and other factors. In the analysis, the applied parameters are determined by each business segment because of the differences in the inherent risks. These credit risks are analyzed by the relevant business unit in the Banking subsidiary and the Credit Risk Management Groups before approvals are obtained via the designated approval authorities in the subsidiary.

Where it is an investment, the underlying risks of the counterparty are analyzed at Management Investment Committee meetings by the investment team and the Risk Management Group in the non-banking subsidiaries. The counterparties are evaluated for their creditworthiness using ratings from reputable rating agencies in addition to the Group's internal rating parameters.

The Group's customer/counterparty risk rating parameters are used to categorize credit exposures and counterparties according to the degree of financial loss faced and the attendant risks in the transaction. The current risk rating framework consists of ten grades reflecting varying degrees of risk of default with a rating of "1" as the best (AAA) and "10" as lost (D). The risk ratings are subject to regular reviews by Risk Management.

These rating grades also reflect the range of parameters internally developed to predict the default probabilities of each rating class in line with international best practices and compliance with BASEL II requirements.

| Rating Grade | Description |
|---|---|
| 1 (AAA) | Exceptional Credit |
| 2 (AA) | Superior Credit |
| 3 (A) | Minimal Risk |
| 4 (BBB) | Above Average |
| 5 (BB) | Average |
| 6 (B) | Acceptable Risk |
| 7 (CCC) | Watch-list |
| 8 (CC) | Substandard Risk |
| 9 (C) | Doubtful Risk |
| 10 (D) | Lost |

Risk rating models form the building blocks for the determination of the default risk of counterparties. The models are backtested to ascertain the predictive capabilities relative to actual performance and make necessary amendments as necessary to enhance their effectiveness.

Because the significant increase in credit risk is the main factor that determines the movement of a financial asset from Stage 1 to Stage 2, all obligors with a downward movement of credit rating of more than 3 notches or any movement into rating 7 are migrated to Stage 2. An obligor is moved into Stage 3 when there is a rating migration to rating grades 8 to 10.

A credit exposure in Stage 3 can subsequently be deemed "cured". A facility is deemed to be "cured" when there is a significant reduction in the credit risk of the financial instrument. "Cured" credit exposures within Stage 2 are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Stage 2 to Stage 1 while "Cured" credit exposures within Stage 3 are monitored for a probationary period of 180 days before migration from Stage 3 to Stage 1. The decrease in the risk of default is reflected in the obligor's Risk Rating, which is a critical input for Staging

In computing the Expected Credit Loss (ECL), the Group considers four components listed below:

1. **Probability of Default (PD)** – This is an estimate of the likelihood of default over a given time horizon (e.g., 12 months or a lifetime). The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. The tools have been developed internally using rigorous statistical analysis and the professional judgment of analysts.

   The rating tool combines qualitative and quantitative factors comparable to internationally available standards. The rating methods are subject to backtesting to ensure that they reflect the latest projection in light of all observed defaults.

   The Group uses a statistical approach in estimating the PD, considering macroeconomic indicators and obligor-specific data. The statistical model specifies the relationship between the inputs and the outcome - PD. The parameters determined depend on the data used to develop the model.

   To estimate an IFRS 9 complaint PD, the Group adopts the Logistic Regression method as one of the highly recommended statistical techniques. This is a statistical method for analyzing a dataset in which there are one or more independent variables (macroeconomic/obligor-specific data) that determine an outcome (probability of default).

   The default status of an obligor is used as a dependent variable, while macroeconomic variables (such as interest rate, GDP growth rate, unemployment rate, etc.) and customer-specific information (e.g., changes in the obligor's rating and interest rate) are used as independent variables. The default status reflects the credit ratings assigned to counterparties. These ratings are generated based on the due consideration of obligor-specific quantitative (financial) information and qualitative (non-financial) information, such as business age, industry, management structure, business risk, etc.

   The Group's rating model considers past and current economic information, however, the accounting standard requires that forward-looking information is incorporated into the PD determination.

   To achieve an IFRS 9 compliant PD, the Group adopted the Logistic Regression model, which incorporates the macroeconomic forecasts into the PD determination process. The Normal scenario macroeconomic variables used for the forecast are obtained from credible sources while the Upturn and Downturn scenarios are derived based on historical trend analysis and management's unbiased estimates of forward-looking macroeconomic indicators.

   The Group uses a Simplified approach in determining PDs for other financial instruments below:

1. Investments in securities issued by Sovereign
2. Investments in securities issued by State Government
3. Interbank Placements

2. **Exposure at Default (EAD)** – This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdown on committed facilities.

EAD measures the utilized exposure at default. For on-balance sheet exposures, the gross value of the exposure is taken into account, and for off-balance sheet exposures, a credit conversion factor (CCF) is used to estimate future utilization. The off-balance sheet exposures are considered when performing staging and ECL calculations.

The modeling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms. These expected changes include:

- Contractual repayments/amortization schedule
- Prepayments (i.e., early repayment)
- Changes in utilization of an undrawn commitment within agreed credit limits in advance of default.

This cash-flow model further reflects movements in the EAD in the months before default. Interest payments receivable on the account as at the reporting date are included in the EAD to reflect an expectation that these interest payments could be missed in the eventuality/ occurrence of a default.

The inputs into the EAD model are reviewed to assess their suitability for IFRS 9 and adjusted, where required, to ensure an unbiased, probability-weighted ECL calculation reflecting current expectations and forward-looking information.

3. **Loss Given Default (LGD)** – This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. It typically varies by type of counterparty, type of exposure, seniority of claim, and the availability of collateral or other credit support.

The Group uses the Workout and Recovery Approach in determining its LGD. This approach models LGD based on the actual cash flows that can be recovered from an obligor by the workout process once default has occurred. The methodology involves the prediction of the future cash flows that can be recovered from a company after it has defaulted on its payments. It takes into account all cash flows from the distressed asset linked to the recovery.

The forecasted cash flows are discounted using the EIR. These discounted cash flows are summed up to provide the expected recovery amount. The total exposure of the firm at the time of default minus the expected recovery amount gives the loss given default in absolute terms. The ratio of loss given default in absolute value to exposure at default gives the LGD in percentage terms.

The Group incorporates forward-looking information into the LGD model through adjustments to the collateral values to reflect their fair value and the EAD to reflect prepayment rates and foreign currency adjustments (on foreign currency-denominated facilities).

4. Discount Rate – This is used to discount an expected loss to a present value at the reporting date using the effective interest rate (EIR) (or where applicable, other rate permitted by IFRS 9) determined at initial recognition.

**(ii) Risk Limit Control and Mitigation Policies**

The Group applies limits to control credit risk concentration and the diversification of its risk assets and other assets portfolio. Limits are maintained for individual borrowers, counterparties, groups of related borrowers, business lines, sectors, rating grades, collateral types, and geographical areas.

In addition to regulatory limits, other parameters are applied internally to determine the suitable limits that an individual borrower in the banking subsidiaries should have. These include obligor rating, position in the industry, perceived requirements of key players, financial analysis, etc.

Economic sector limits are put in place to guide against concentration risk as a result of exposures to a set of counterparties operating in a particular industry. The industry limits are arrived at after rigorous analysis of the risks inherent in the industries or economic sectors. The limits set for each industry or economic sector depend on the historical performance of the sector as well as the intelligence report on the outlook of the sector.

These limits are recommended and reviewed by Risk Management in each subsidiary and approved by the Board of Directors per subsidiary. During the review period, limits can be realigned (by way of outright removal, reduction, or increase) based on macroeconomic events.

Approval decisions are guided by a strategic focus as well as the stated risk appetite and other limits established by the Board of Directors and regulatory authorities. Internal approval limits are also set for various levels of officers in the approval process to enhance turnaround time.

The lending authority in the Group flows through the management hierarchy, with the final authority residing with the Board of Directors.

**Master Netting Arrangements**

Master netting arrangements are entered into to manage its exposure to credit losses, where applicable, with counterparties with which it undertakes a significant volume of transactions. The right to set off is triggered by default. By so doing, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

**Off-balance sheet engagements**

These instruments are contingent and carry the same credit risk as loans and advances. As a policy, all off-balance sheet exposures are subjected to the same rigorous credit analysis as that of the on-balance sheet exposures in the Group. The major off-balance sheet items in the books are Bonds and Guarantees, which will only be issued where the Group has full cash collateral or a counter-guarantee from a first-class bank or any other acceptable security.

**Contingencies**

Contingent assets/liabilities, which include transactions related to bonds and guarantees, letters of credit, and short-term foreign currency-related transactions, are not recognized in the annual financial statements but are disclosed.

**Placements**

Placement lines cover the settlement risks inherent in the Group's activities with its counterparties. The approved limits are arrived at after conducting a fundamental analysis of the counterparties, with the presentation of the findings made to Management and the Board for approval. The adherence to these limits is monitored by Risk Management. Per the group's policy, placements with local banks are backed by treasury bills.

**(f) Chargeback Risk**

Chargeback risk is the potential financial loss due to disputed or unauthorized transactions, which can result in a reversal of the original payment. This can occur when a customer claims that a transaction was not authorized, was incorrect, or did not meet their expectations. Merchants typically collect advance payments for supplying products and services based on certain warranties. Although processing card transactions is not an extension of credit, acquirers are relying on the creditworthiness of the merchant. This crystallizes into a credit risk where the merchant is unable to pay for any reason, and the acquirer is responsible for the chargeback.

The payment business has a merchant risk monitoring framework that assesses the risk each merchant carries. In addition, enhanced due diligence reviews are conducted on suspicious transactions to mitigate chargeback risks.

**(g) Investment Risk** – This is the probability of the occurrence of losses relative to the expected return on an investment. Investments in this definition exclude trading positions and refer to investments made in the Group for strategic or operational needs.

This risk is assessed and measured through the valuation of the assets at a particular period to ascertain any changes (appreciation or depreciation) in their value.

The Group's exposure to market risks is monitored through the setting of limits in addition to other monitoring tools adopted by the Group. These limits are recommended by Risk Management and approved by the Board. The limits are also regularly examined and updated in line with regulatory requirements, scale, complexity, and the risk tolerance of the Group, with breaches reported to the Senior Management and the Board.

IFRS 7 requires the Group to disclose the amounts that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32). This disclosure is presented below for the Company and Group as at 31 December 2024 and 31 December 2023.

***Credit risk exposure relating to On-Balance Sheet***

| In thousands of Nigerian Naira | Maximum exposure Group | | Maximum exposure Company | |
|---|---|---|---|---|
| **Classification** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| Cash and bank balances: | | | | |
| - Unrestricted balances with central banks | 472,981,966 | 238,378,190 | - | - |
| - Balances held with other banks | 830,071,371 | 493,734,665 | - | - |
| - Money market placements | 2,840,877,776 | 1,368,995,030 | - | - |
| | | | | |
| Loans and advances to banks | 87,794 | 66,935 | - | - |
| | | | | |
| Loans and advances to customers[1]: | | | | |
| | | | | |
| - Loans to individuals | 388,307,536 | 348,510,161 | - | - |
| - Loans to non-individuals | 2,397,356,504 | 2,131,673,207 | - | - |
| | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Debt securities | 59,602,997 | 28,066,613 | - | - |
| - Derivative financial instruments | - | 28,961,143 | - | - |
| | | | | |
| Investment securities: | | | | |
| - Debt securities | 4,139,966,885 | 2,463,235,069 | - | - |
| | | | | |
| Assets pledged as collateral: | | | | |
| - Debt securities | 114,570,075 | 86,552,701 | - | - |
| | | | | |
| Restricted deposits and other assets[2] | 2,362,357,923 | 1,920,162,162 | 250,238,501 | - |
| **Total** | **13,606,180,827** | **9,108,335,876** | **250,238,501** | **-** |
| | | | | |
| Loans exposure to total exposure | 20% | 27% | 0% | 0% |
| Debt securities exposure to total exposure | 32% | 28% | 0% | 0% |
| Other exposures to total exposure | 48% | 45% | 0% | 0% |

As shown above, 20% (Company: 0% ) of the total maximum exposures is derived from loans and advances to banks and customers (2023: 27% ; Company: 0% ); while 32% (Company: 0% ) represents exposure to investments in debt securities (2023: 28% ; Company: 0%). The Directors are confident in their ability to continue to control exposure to credit risk within a specified risk appetite which can result from both its Loans and Advances portfolio and Debt securities.

[1] Further classification of Loans to Customers along product lines are provided on the next page.
[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations,Prepayment and Stock have been excluded.

**Credit risk exposure relating to Off-Balance Sheet**

| In thousands of Nigerian Naira | Maximum exposure Group | | Maximum exposure Company | |
|---|---|---|---|---|
| | Dec-2024 | Dec-2023 | Dec-2024 | Dec-2023 |
| Financial guarantees | 592,945,965 | 623,937,083 | - | - |
| Other contingents | 75,531,485 | 36,357,312 | - | - |
| **Total** | **668,477,450** | **660,294,395** | **-** | **-** |

Contingencies are disclosed on Note 42

**Classification of Maximum Exposure on Loans to Customers by Product**

Loans and advances have been classified into Overdraft, Loans and Others throughout the Financials Statements.

- Overdraft are lines of credit which allow customers to write cheques for more than the actual balance on their accounts usually to finance working capital.
- Loans include non-revolving facilities given to finance specific transactions, capital projects or a customer's expansion Programme.
- Others include Usances and Usance Settlement.

Maximum exposure on Loans and advances to customers is analysed below:

| In thousands of Nigerian Naira | Group | | Company | |
|---|---|---|---|---|
| | Dec-2024 | Dec-2023 | Dec-2024 | Dec-2023 |
| Loans to individuals: | | | | |
| Overdraft | 14,782,925 | 46,563,242 | - | - |
| Loans | 373,399,383 | 301,801,420 | - | - |
| Others | 125,228 | 145,499 | - | - |
| | **388,307,536** | **348,510,161** | **-** | **-** |
| Loans to non-individuals: | | | | |
| Overdraft | 210,021,553 | 161,059,131 | - | - |
| Loans | 2,177,503,380 | 1,940,248,453 | - | - |
| Others | 9,831,571 | 30,365,623 | - | - |
| | **2,397,356,504** | **2,131,673,207** | **-** | **-** |

**Credit quality of Financial Assets**

IFRS 7 requires information about the credit quality of financial assets.This information is provided below for balances held with counterparty, money market placements, Financial assets at fair value through profit or loss and investment securities.

**Unrestricted balances with central banks, Balances held with other banks, Money Market placements, financial assets at fair value through profit or loss and Investment Securities**

***Unrestricted balances with central banks***

The credit quality of Unrestricted balances with central banks are assessed by reference to external credit ratings information about counterparty default rates.

| | Credit quality Group | | Credit quality Company | |
|---|---|---|---|---|
| **In thousands of Nigerian naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| Sovereign Ratings | | | | |
| Nigeria (B-) S&P | 23,393,851 | 20,281,786 | - | - |
| BB- | 28,979,717 | 20,675,885 | - | - |
| B | 11,214,104 | 34,269,585 | - | - |
| B+ | 24,667,303 | - | - | - |
| SD | 295,299,466 | 131,017,149 | - | - |
| unrated | 89,427,525 | 32,133,785 | - | - |
| | **472,981,966** | **238,378,190** | **-** | **-** |

Restricted and Unrestricted balances with Central Bank of Nigeria are assigned Sovereign rating of B- from S&P.

A significant portion of the Group's unrated financial assets relates to cash balances held with central banks as well as sovereign debt securities for which no external ratings are available. For such assets, the Group considers the credit quality of the counterparty, taking into account its financial position, past experience and other factors.
Exposure limits are set and compliance is monitored by management.

**Balances held with other banks**
The credit quality of Balances held with other banks are assessed by reference to external credit ratings information about counterparty default rates.

| | Credit quality Group | | Credit quality Company | |
|---|---|---|---|---|
| **In thousands of Nigerian naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| Counterparties with external credit rating (S&P) | | | | |
| AA | 15,450,020 | 11,242,292 | - | - |
| AA- | 159,143 | - | - | - |
| A+ | 260,694,080 | 181,826,757 | - | - |
| A | - | 15,930,117 | - | - |
| A-1 | 133,289,034 | - | - | - |
| A-2 | 141,159,552 | - | - | - |
| A-3 | 46,836 | - | - | - |
| A- | 123,781,300 | 95,250,148 | - | - |
| BBB+ | 156,082,727 | 142,398,094 | - | - |
| BBB | - | 8,424,373 | - | - |
| BB | 45,947 | 1,075,105 | - | - |
| BB- | 3,004 | 374 | - | - |
| Unrated | (640,272) | 37,587,405 | - | - |
| | **830,071,371** | **493,734,665** | **-** | **-** |

**Money Market placements**

The credit quality of Money Market placements are assessed by reference to external credit ratings information about counter-party default rates.

| | Credit quality Group | | Credit quality Company | |
|---|---|---|---|---|
| **In thousands of Nigerian naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| **Counterparties with external credit rating (S&P)** | | | | |
| A-1+ | 76,955,946 | 45,748,581 | - | - |
| A-1 | 807,379,768 | 380,031,702 | - | - |
| A-2 | 1,119,918,526 | 829,176,211 | - | - |
| BBB- | 23,442,942 | - | - | - |
| BB- | 3,182,257 | - | - | - |
| AAA | 1,058,251 | - | - | - |
| B- | - | 12,834,734 | - | - |
| B | 379,520,400 | 16,018,153 | - | - |
| | **2,411,458,091** | **1,283,809,381** | **-** | **-** |
| | | | | |
| **Counterparties without external credit rating** | | | | |
| | | | | |
| Unrated | 429,419,685 | 85,185,649 | - | - |
| | 429,419,685 | 85,185,649 | - | - |
| | **2,840,877,776** | **1,368,995,030** | **-** | **-** |

**Financial Assets at Fair value through profit or loss**

The credit quality of Financial Assets at fair value through profit or loss are assessed by reference to external credit ratings information about counterparty default rates.

| | Group | | Company | |
|---|---|---|---|---|
| **In thousands of Nigerian naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| **Soverign Ratings** | | | | |
| Nigeria (B) S&P | 29,984,113 | 23,416,735 | - | - |
| Other Sovereign (B) S&P | 29,618,884 | 4,649,878 | - | - |
| | **59,602,997** | **28,066,613** | **-** | **-** |

**Investment Securities**

The credit quality of investment securities are assessed by reference to external credit ratings information about counterparty default rates.

| | Credit quality Group | | Credit quality Company | |
|---|---|---|---|---|
| **In thousands of Nigerian naira** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| **Sovereign Ratings:** | | | | |
| Nigeria (B-) S&P | 1,651,717,061 | 1,077,530,238 | - | - |
| Other Sovereign Rating (SD-) S&P | 593,970,181 | 421,266,651 | - | - |
| Ghana (CCC+) S&P | 15,143,234 | 10,624,463 | - | - |
| Other Sovereign Rating US (AA+) S&P | 248,464,974 | 27,244,453 | - | - |
| Other Sovereign Rating (AA) S&P | 281,970,176 | 175,429,944 | - | - |
| Other Sovereign Rating (BB-) S&P | 414,076,878 | 208,971,330 | - | - |
| Other Sovereign Rating (B) S&P | 307,085,884 | 153,496,023 | - | - |
| Counterparties without external credit rating : | | | | |
| Unrated | 627,538,497 | 388,671,967 | - | - |
| | | | | |
| | **4,139,966,885** | **2,463,235,069** | **-** | **-** |

Of the Group's Investment Securities of ₦4,139,966,885,000 (Dec 2023: ₦2,463,235,069,000) the sum of ₦1,651,717,061,000 (2023: ₦1,077,530,238,000 ) relates to investment in treasury bills and bond issued by the Federal Government of Nigeria and bears the sovereign risk of the Federal Government of Nigeria. The Federal Republic of Nigeria currently has a foreign long term issuer credit rating of B- (S&P).

**Assets pledged as collateral**

The credit quality of Assets pledged as collateral are assessed by reference to external credit ratings information about counterparty default rates.

| **In thousands of Nigerian Naira** | **Group** | | **Company** | |
|---|---|---|---|---|
| | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| **Soverign Ratings** | | | | |
| Nigeria (B-) S&P | 85,018,714 | 73,400,983 | - | - |
| Other Sovereign Rating (B+) S&P | 29,551,361 | 13,151,718 | - | - |
| | **114,570,075** | **86,552,701** | **-** | **-** |

**Restricted deposits and other assets**

The credit quality of Restricted deposits and other assets are assessed by reference to external credit ratings information about counterparty default rates.

| In thousands of Nigerian Naira | Group | | Company | |
|---|---|---|---|---|
| | Dec-2024 | Dec-2023 | Dec-2024 | Dec-2023 |
| **Soverign Ratings** | | | | |
| Nigeria (B-) S&P | 2,018,557,273 | 1,701,339,803 | - | - |
| | | | | |
| Counterparties with external credit rating (S&P) | | | | |
| | | | | |
| A-1 | 85,881,761 | 30,911,034 | - | - |
| A-1+ | 91,275,961 | 115,044 | - | - |
| A-2 | - | 3,762,439 | - | - |
| BB- | 244,216 | - | - | - |
| BBB | 3,465,879 | - | - | - |
| Other Sovereign Rating (B-) S&P | 63,991,106 | 24,736,000 | - | - |
| Unrated | 98,941,727 | 159,297,842 | 250,238,501 | - |
| | | | | |
| | **2,362,357,923** | **1,920,162,162** | **250,238,501** | **-** |

**Rating Legend:**

| **External credit rating (S&P)** | **External credit rating (S&P)** | **External credit rating (Agusto):** |
|---|---|---|
| AA+:Very Strong Capacity to Repay | BB+:Moderate Capacity to Repay | A- : Strong capacity to meet obligations |
| AA:Very Strong Capacity to Repay | BB: Speculative credit rating | B: Weak Financial condition but obligations are still being met as and when they fall due |
| AA-:Very Strong Capacity to Repay | B+: Highly Speculative Credit Rating | |
| A+: Strong Capacity to Repay | B: Highly Speculative Credit Rating | **External credit rating (Fitch)** |
| A: Strong Capacity to Repay | B-: Highly Speculative Credit Rating | AA-: High grade |
| A-: Strong Capacity to Repay | C: Speculative Credit Rating | A: High grade |
| A-1+ : Prime Rating | **External credit rating (Moody's)** | A-: Upper medium grade |
| A-1 : Upper Medium Credit Rating | P-3: Moderate Capacity to Repay | BBB+: Lower medium grade |
| A-2 : Upper Medium Credit Rating | F1+:Strong capacity to repay | BBB-: Lower medium grade |
| A-3 : Lower Medium Credit Rating | F1:Strong capacity to repay | BB: Non investment grade speculative |
| BBB+:Adequate Capacity to Repay | **External credit rating (Agusto):** | BB-: Non investment grade speculative |
| BBB:Adequate Capacity to Repay | Aa- : Very strong capacity to repay | B: Speculative credit rating |
| BBB-:Adequate Capacity to Repay | A : Strong capacity to repay | B+: Speculative credit rating |

**Credit Concentration**

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

**(i) Geographical Sector**

**Concentration of risks of financial assets with credit risk exposure**

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

### Credit risk exposure relating to On-Balance Sheet

**Group**
**Dec-2024**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Cash and bank balances: | | | | |
| - Unrestricted balances with central banks | 23,393,851 | 449,588,115 | - | 472,981,966 |
| - Balances held with other banks | 9,214,698 | 214,468,463 | 606,388,210 | 830,071,371 |
| - Money market placements | 742,454,093 | 192,850,307 | 1,905,573,376 | 2,840,877,776 |
| | | | | |
| Loans and advances to banks | 87,794 | - | - | 87,794 |
| | | | | |
| Loans and advances to customers[1]: | | | | |
| - Loans to individuals | 145,388,846 | 121,665,619 | 121,253,071 | 388,307,536 |
| - Loans to non-individuals | 1,921,877,196 | 475,479,308 | - | 2,397,356,504 |
| | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Debt securities | 43,031,552 | 16,571,445 | - | 59,602,997 |
| - Derivative financial instruments | - | - | - | - |
| | | | | |
| Investment securities: | | | | |
| - Debt securities | 1,812,471,588 | 1,797,060,146 | 530,435,151 | 4,139,966,885 |
| | | | | |
| Assets pledged as collateral: | | | | |
| - Debt securities | 85,018,714 | 29,551,361 | - | 114,570,075 |
| Restricted deposits and other assets[2] | 1,993,678,151 | 218,289,478 | 150,390,294 | 2,362,357,923 |
| | **6,776,616,483** | **3,515,524,242** | **3,314,040,102** | **13,606,180,827** |

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 24% relates to exposures in United States of America, 75% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

[1] Further classification of Loans & Advances to Customers along product lines is provided on the next page.
[2] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations, Prepayment and Stock have been excluded.

### Credit risk exposure relating to Off-Balance Sheet

Credit Risk Exposure relating to off-balance sheet items are as follows:

**Group**
**Dec-2024**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Financial guarantees | 496,703,086 | 95,944,551 | 298,328 | 592,945,965 |
| Other contingents | 8,020,226 | 26,900,934 | 40,610,325 | 75,531,485 |
| | **504,723,312** | **122,845,485** | **40,908,653** | **668,477,450** |

Contingencies are disclosed on Note 42

### Classification of  Credit Concentration on Loans to Customers by Product

The maximum credit exposure of Loans & advances across geographical region and product lines is shown below:

**Group**
**Dec-2024**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Loans to individuals: | | | | |
| Overdraft | 8,942,984 | 5,839,941 | - | 14,782,925 |
| Loans | 136,445,862 | 115,825,678 | 121,127,843 | 373,399,383 |
| Others | - | - | 125,228 | 125,228 |
| | **145,388,846** | **121,665,619** | **121,253,071** | **388,307,536** |
| Loans to non-individuals: | | | | |
| Overdraft | 144,934,362 | 65,087,191 | - | 210,021,553 |
| Loans | 1,767,111,263 | 410,392,117 | - | 2,177,503,380 |
| Others[#] | 9,831,571 | - | - | 9,831,571 |
| | **1,921,877,196** | **475,479,308** | **-** | **2,397,356,504** |

[#] Others include Usances and Usance Settlement.

### Credit risk exposure relating to On-Balance Sheet

**Group**
**Dec-2023**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Cash and bank balances: | | | | |
| - Unrestricted balances with central banks | 20,281,786 | 218,096,404 | - | 238,378,190 |
| - Balances held with other banks | 17,438,828 | 105,244,427 | 371,051,410 | 493,734,665 |
| - Money market placements | 67,348,837 | 77,395,412 | 1,224,250,781 | 1,368,995,030 |
| | | | | |
| Loans and advances to banks | 66,935 | - | - | 66,935 |
| | | | | |
| Loans and advances to customers[1]: | | | | |
| - Loans to individuals | 213,865,610 | 67,925,875 | 66,718,676 | 348,510,161 |
| - Loans to non-individuals | 1,820,648,220 | 311,024,987 | - | 2,131,673,207 |
| | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Debt securities | 23,416,735 | 4,649,878 | - | 28,066,613 |
| - Derivative financial instruments | 28,961,143 | - | - | 28,961,143 |
| | | | | |
| Investment securities: | | | | |
| - Debt securities | 1,174,225,597 | 1,086,335,246 | 202,674,226 | 2,463,235,069 |
| | | | | |
| Assets pledged as collateral: | | | | |
| - Debt securities | 73,400,983 | 13,151,718 | - | 86,552,701 |
| | | | | |
| Restricted deposits and other assets[2] | 1,807,213,372 | 51,141,861 | 61,806,929 | 1,920,162,162 |
| | **5,246,868,046** | **1,934,965,808** | **1,926,502,022** | **9,108,335,876** |

Of the Group's Credit risk exposure outside Africa relating to On-balance sheet, 18% relates to exposures in United States of America, 81% relates to exposures in United Kingdom and 1% relates to exposures in other countries.

[1]Further classification of Loans & Advances to Customers along product lines is provided on the next page.
[2]Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations have been excluded.

**Credit risk exposure relating to Off-Balance Sheet**

Credit Risk Exposure relating to off-balance sheet items are as follows:

**Group**
**Dec-2023**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Financial guarantees | 380,682,902 | 65,807,351 | 177,446,830 | 623,937,083 |
| Other contingents | 2,633,613 | 18,796,256 | 14,927,443 | 36,357,312 |
| | **383,316,515** | **84,603,607** | **192,374,273** | **660,294,395** |

Contingencies are disclosed on Note 42

**Classification of Credit Concentration on Loans to Customers by Product**

The maximum credit exposure of loans and advances across geographical regions and product lines is shown below

**Group**
**Dec-2023**

| **In thousands of Nigerian naira** | | | | |
|---|---|---|---|---|
| **Classification** | **Nigeria** | **Rest of Africa** | **Outside Africa** | **Total** |
| Loans to individuals: | | | | |
| Overdraft | 38,913,443 | 7,605,313 | 44,486 | 46,563,242 |
| Loans | 174,952,167 | 60,320,562 | 66,528,691 | 301,801,420 |
| Others | - | - | 145,499 | 145,499 |
| | **213,865,610** | **67,925,875** | **66,718,676** | **348,510,161** |
| Loans to non-individuals: | | | | |
| Overdraft | 99,191,797 | 61,867,334 | - | 161,059,131 |
| Loans | 1,691,090,800 | 249,157,653 | - | 1,940,248,453 |
| Others[1] | 30,365,623 | - | - | 30,365,623 |
| | **1,820,648,220** | **311,024,987** | **-** | **2,131,673,207** |

[1] Others include Usances and Usance Settlement.

The following table breaks down the Group's credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties.

**Credit Risk Exposure to on-balance sheet items**

**Group**
**Dec-2024**
In thousands of Nigerian naira

| Classification | Agriculture | Capital market & Financial institution | Construc-tion/ Real estate | Education | General Commerce | Government | Manufac-turing | Oil & gas | Info.Telecoms & Transport.[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and bank balances: | | | | | | | | | | | | |
| - Unrestricted balances with central banks | - | - | - | - | - | 472,981,966 | - | - | - | - | - | 472,981,966 |
| - Balances held with other banks | - | 830,071,371 | - | - | - | - | - | - | - | - | - | 830,071,371 |
| - Money market placements | - | 2,840,877,776 | - | - | - | - | - | - | - | - | - | 2,840,877,776 |
| | | | | | | | | | | | | |
| Loans and advances to banks | - | 87,794 | - | - | - | - | - | - | - | - | - | 87,794 |
| | | | | | | | | | | | | |
| Loans and advances to customers3: | | | | | | | | | | | | |
| - Loans to individuals | - | - | - | - | - | - | - | - | - | 388,307,536 | - | 388,307,536 |
| - Loans to non-individuals | 204,083,259 | 18,405,042 | 42,900,535 | 4,861,329 | 299,785,269 | 34,246,390 | 490,038,016 | 1,036,754,606 | 176,249,711 | 586,776 | 89,445,571 | 2,397,356,504 |
| | | | | | | | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | | | | | | | |
| - Debt securities | - | - | - | - | - | 59,602,997 | - | - | - | - | - | 59,602,997 |
| - Derivative financial instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Investment securities: | | | | | | | | | | | | |
| - Debt securities | - | 35,679,130 | - | - | - | 4,102,805,041 | - | - | - | - | 1,482,714 | 4,139,966,885 |
| | | | | | | | | | | | | |
| Assets pledged as collateral: | | | | | | | | | | | | |
| - Debt securities | - | - | - | - | - | 114,570,075 | - | - | - | - | - | 114,570,075 |
| | | | | | | | | | | | | |
| Restricted deposits and other assets[4] | - | - | - | - | - | 2,019,205,126 | - | - | - | - | 343,152,797 | 2,362,357,923 |
| | **204,083,259** | **3,725,121,113** | **42,900,535** | **4,861,329** | **299,785,269** | **6,803,411,595** | **490,038,016** | **1,036,754,606** | **176,249,711** | **388,894,312** | **434,081,082** | **13,606,180,827** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.
[3] Further classification of Loans to Customers along product lines are provided on the next page.
[4] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations, prepayment and stock have been excluded.

Credit Risk Exposure to off-balance sheet items

**Group**
**Dec-2024**
In thousands of Nigerian naira

| Classification | Agriculture | Capital market & Financial institution | Construction/ Real estate | Education | General Commerce | Government | Manufacturing | Oil & gas | Info.Telecoms & Transport[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial guarantees | 34,766 | 7,984,000 | 200,497,007 | - | 24,271,612 | - | 21,650,996 | 287,579,528 | 2,072,847 | 1,027,036 | 47,828,173 | 592,945,965 |
| Other contingents | 4,174 | 41,170,475 | - | - | 10,766,698 | 3,884,073 | 13,318,839 | 6,975 | 355,489 | 4,585,832 | 1,438,930 | 75,531,485 |
| **Total** | **38,940** | **49,154,475** | **200,497,007** | **-** | **35,038,310** | **3,884,073** | **34,969,835** | **287,586,503** | **2,428,336** | **5,612,868** | **49,267,103** | **668,477,450** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

## Classification of Sectorial Credit Concentration on Loans to Customers by Product

**Group**
**Dec-2024**

| Classification | Agriculture | Capital market & Financial institution | Construction/ Real estate | Education | General Commerce | Government | Manufacturing | Oil & gas | Info.Telecoms & Transport[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loans to individuals:** | | | | | | | | | | | | |
| Overdraft | - | - | - | - | - | - | - | - | - | 14,782,925 | - | 14,782,925 |
| Loans | - | - | - | - | - | - | - | - | - | 373,399,383 | - | 373,399,383 |
| Others | - | - | - | - | - | - | - | - | - | 125,228 | - | 125,228 |
| | - | - | - | - | - | - | - | - | - | 388,307,536 | - | 388,307,536 |
| **Loans to non-individuals:** | | | | | | | | | | | | |
| Overdraft | 24,723,189 | 2,483,919 | 2,596,473 | 246,695 | 25,284,046 | 3,604,460 | 18,473,441 | 95,926,740 | 778,184 | 586,776 | 35,317,630 | 210,021,553 |
| Loans | 179,360,070 | 15,921,123 | 40,304,047 | 4,614,634 | 274,498,806 | 30,641,930 | 461,770,550 | 940,823,695 | 175,471,527 | - | 54,096,998 | 2,177,503,380 |
| Others | - | - | 15 | - | 2,417 | - | 9,794,025 | 4,171 | - | - | 30,943 | 9,831,571 |
| | **204,083,259** | **18,405,042** | **42,900,535** | **4,861,329** | **299,785,269** | **34,246,390** | **490,038,016** | **1,036,754,606** | **176,249,711** | **586,776** | **89,445,571** | **2,397,356,504** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

Credit Risk Exposure to on-balance sheet items

**Group**
**Dec-2023**
In thousands of Nigerian naira

| Classification | Agriculture | Capital market & Financial institution | Construc-tion/ Real estate | Education | General Commerce | Government | Manufac-turing | Oil & gas | Info.Telecoms & Transport[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and bank balances: | | | | | | | | | | | | |
| - Unrestricted balances with central banks | - | - | - | - | - | 238,378,190 | - | - | - | - | - | 238,378,190 |
| - Balances held with other banks | - | 493,734,665 | - | - | - | - | - | - | - | - | - | 493,734,665 |
| - Money market placements | - | 1,368,995,030 | - | - | - | - | - | - | - | - | - | 1,368,995,030 |
| | | | | | | | | | | | | |
| Loans and advances to banks | - | 66,935 | - | - | - | - | - | - | - | - | - | 66,935 |
| | | | | | | | | | | | | |
| Loans and advances to customers[3]: | | | | | | | | | | | | |
| - Loans to individuals | - | - | - | - | - | - | - | - | - | 348,510,161 | - | 348,510,161 |
| - Loans to non-individuals | 187,471,015 | 14,638,155 | 20,820,372 | 17,150,827 | 168,044,322 | 17,012,134 | 308,866,944 | 1,043,550,457 | 196,814,945 | 1,593,903 | 155,710,133 | 2,131,673,207 |
| | | | | | | | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | | | | | | | |
| - Debt securities | - | - | - | - | - | 28,066,613 | - | - | - | - | - | 28,066,613 |
| - Derivative financial instruments | - | 28,961,143 | - | - | - | - | - | - | - | - | - | 28,961,143 |
| | | | | | | | | | | | | |
| Investment securities: | | | | | | | | | | | | |
| - Debt securities | - | - | - | - | - | 2,462,132,704 | - | - | - | - | 1,102,365 | 2,463,235,069 |
| | | | | | | | | | | | | |
| Assets pledged as collateral: | | | | | | | | | | | | |
| - Debt securities | - | - | - | - | - | 86,552,701 | - | - | - | - | - | 86,552,701 |
| | | | | | | | | | | | | |
| Restricted deposits and other assets[4] | - | - | - | - | - | 1,701,497,776 | - | - | - | - | 218,664,386 | 1,920,162,162 |
| | **187,471,015** | **1,906,395,928** | **20,820,372** | **17,150,827** | **168,044,322** | **4,533,640,118** | **308,866,944** | **1,043,550,457** | **196,814,945** | **350,104,064** | **375,476,884** | **9,108,335,876** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.
[3] Further classification of Loans to Customers along product lines are provided on the next page.
[4] Balances included in Restricted deposits and other assets above are those subject to credit risks. Items not subject to credit risk, which include Recognised assets for defined benefit obligations, prepayment and stock have been excluded.

## Credit Risk Exposure to off-balance sheet items

**Group**
**Dec-2023**
In thousands of Nigerian naira

| Classification | Agriculture | Capital market & Financial institution | Construc-tion/ Real estate | Education | General Commerce | Government | Manufac-turing | Oil & gas | Info.Telecoms & Transport[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial guarantees | 2,170,291 | 179,354,580 | 163,415,921 | - | 20,552,885 | - | 948,542 | 200,551,648 | 3,876,970 | 189,195 | 52,877,051 | 623,937,083 |
| Other contingents | 97,478 | 15,960,278 | 191,372 | - | 663,695 | 2,465,362 | 3,532,804 | 170,129 | 2,103,540 | 4,643,259 | 6,529,395 | 36,357,312 |
| **Total** | **2,267,769** | **195,314,858** | **163,607,293** | **-** | **21,216,580** | **2,465,362** | **4,481,346** | **200,721,777** | **5,980,510** | **4,832,454** | **59,406,446** | **660,294,395** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

## Classification of Sectorial Credit Concentration on Loans to Customers by Product

**Group**
**Dec-2023**
In thousands of Nigerian naira

| Classification | Agriculture | Capital market & Financial institution | Construc-tion/ Real estate | Education | General Commerce | Government | Manufac-turing | Oil & gas | Info.Telecoms & Transport[2] | Individual | Others [1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Loans to individuals: | | | | | | | | | | | | |
| Overdraft | - | - | - | - | - | - | - | - | - | 46,563,242 | - | 46,563,242 |
| Loans | - | - | - | - | - | - | - | - | - | 301,801,420 | - | 301,801,420 |
| Others | - | - | - | - | - | - | - | - | - | 145,499 | - | 145,499 |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **348,510,161** | **-** | **348,510,161** |
| Loans to non-individuals: | | | | | | | | | | | | |
| Overdraft | 6,427,984 | 2,498,159 | 2,352,080 | 349,619 | 29,854,121 | 586,164 | 23,168,174 | 62,673,549 | 4,737,827 | 1,593,903 | 26,817,551 | 161,059,131 |
| Loans | 180,657,699 | 12,139,996 | 18,468,292 | 16,801,208 | 137,080,641 | 16,425,970 | 284,780,437 | 980,730,497 | 192,067,948 | - | 101,095,765 | 1,940,248,453 |
| Others | 385,332 | - | - | - | 1,109,560 | - | 918,333 | 146,411 | 9,170 | - | 27,796,817 | 30,365,623 |
| | **187,471,015** | **14,638,155** | **20,820,372** | **17,150,827** | **168,044,322** | **17,012,134** | **308,866,944** | **1,043,550,457** | **196,814,945** | **1,593,903** | **155,710,133** | **2,131,673,207** |

[1] Includes Engineering Services, Hospitality, Clubs, Cooperative Societies etc.
[2] Includes Telecoms, Logistics, Maritime and Haulage.

The following tables show the analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

### Maximum exposure to credit risk - Loans and advances

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| | | | | |
| Exceptional Capacity | 343,144,382 | - | - | 343,144,382 |
| Very Strong Capacity | 724,785,523 | - | - | 724,785,523 |
| Strong Repayment Capacity | 1,146,210,142 | - | - | 1,146,210,142 |
| Acceptable risk | 479,807,494 | - | - | 479,807,494 |
| Significant increase in credit risk | - | 75,184,232 | - | 75,184,232 |
| Default | - | - | 151,152,466 | 151,152,466 |
| **Total** | **2,693,947,541** | **75,184,232** | **151,152,466** | **2,920,284,239** |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| | | | | |
| Exceptional Capacity | 194,816,921 | - | - | 194,816,921 |
| Very Strong Capacity | 710,439,385 | - | - | 710,439,385 |
| Strong Repayment Capacity | 742,512,384 | - | - | 742,512,384 |
| Acceptable risk | 432,136,387 | - | - | 432,136,387 |
| Significant increase in credit risk | - | 425,137,931 | - | 425,137,931 |
| Default | - | - | 109,581,813 | 109,581,813 |
| **Total** | **2,079,905,077** | **425,137,931** | **109,581,813** | **2,614,624,821** |

### Maximum exposure to credit risk - Money Market Placements

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | **2,844,526,719** | **-** | **-** | **2,844,526,719** |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | **1,371,081,069** | **-** | **-** | **1,371,081,069** |

**Maximum exposure to credit risk - Investment securities**

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | | | | | |
|---|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **POCI** | **Grand Total** |
| **Exceptional Capacity** | 4,078,664,288 | - | - | 103,541,115 | 4,182,205,403 |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | 2,513,270,460 | - | - | 2,513,270,460 |

On 09 October 2024, the Group exchanged its existing eligible Ghana Eurobonds bonds for a new set of bonds using the par option.

The exchange was considered a substantial modification of the existing terms of bonds held, therefore, required the derecognition of the existing bonds and recognition of the new bonds at fair value.

**Maximum exposure to credit risk - Restricted deposits and other assets**

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | 2,424,839,614 | - | - | 2,424,839,614 |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | 1,970,128,403 | - | - | 1,970,128,403 |

**Maximum exposure to credit risk - off balance sheet**

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| **Rating** | **Stage 1** | **Stage 2** | **Stage 3** | **Grand Total** |
| **Exceptional Capacity** | 668,477,450 | - | - | 668,477,450 |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | | | | |
|---|---|---|---|---|
| Rating | Stage 1 | Stage 2 | Stage 3 | Grand Total |
| Exceptional Capacity | 660,294,395 | - | - | 660,294,395 |

**Disclosures of various factors that impact the ECL Model as at 31 December 2024.**

These Factors revolves around:

1) Discounting of the expected future casflows from individual obligors with their respective Effective interest rate (EIR) on the set future dates to present value.
2) Application of varying haircut to underlying collateral and further discounting with their respective EIR
3) Application of varying forward looking information in relation to underlying macroeconomic assumptions and the degree of responsivenes of the obligors to the assumptions at different degree of normal, downturn and upturn scenarios. The weightings applied to the multiple economic scenarios are upturn - 27.5%; normal - 47%; and downturn - 22.5%.

The following macro-economic forecasts under the different scenarios were adopted for individual customers:

**Macro-Economic variable assumptions:**

| | Scenario | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| Exchange rate (₦/USD) | Upturn | 1,400.00 | 1,380.00 | 1,250.00 |
| | Normal | 1,500.00 | 1,450.00 | 1,350.00 |
| | Downturn | 1,702.12 | 1,600.00 | 1,500.00 |
| | | | | |
| Inflation rate (%) | Upturn | 21.77 | 15.60 | 14.03 |
| | Normal | 25.00 | 17.50 | 15.00 |
| | Downturn | 28.23 | 22.50 | 19.97 |
| | | | | |
| Unemployment (%) | Upturn | 37.12 | 36.91 | 37.08 |
| | Normal | 43.00 | 43.00 | 43.00 |
| | Downturn | 48.88 | 49.09 | 48.92 |
| | | | | |
| GDP growth rate (%) | Upturn | 5.04 | 5.66 | 6.05 |
| | Normal | 3.70 | 4.40 | 4.78 |
| | Downturn | 2.36 | 1.76 | 3.14 |

The following macro-economic forecasts under the different scenarios were adopted for corporate customers:

**Macro-Economic variable assumptions:**

| | Scenario | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| Exchange rate (₦/USD) | Upturn | 1,400.00 | 1,380.00 | 1,250.00 |
| | Normal | 1,500.00 | 1,450.00 | 1,350.00 |
| | Downturn | 1,702.12 | 1,600.00 | 1,500.00 |
| | | | | |
| Inflation rate (%) | Upturn | 21.77 | 15.60 | 14.03 |
| | Normal | 25.00 | 17.50 | 15.00 |
| | Downturn | 28.23 | 22.50 | 19.97 |
| | | | | |
| Crude oil prices (USD/barrel) | Upturn | 85.32 | 89.67 | 83.11 |
| | Normal | 74.00 | 79.00 | 73.00 |
| | Downturn | 62.68 | 68.33 | 62.89 |
| | | | | |
| Crude oil Production (barrel) | Upturn | 1,707,210 | 2,300,000 | 2,540,000 |
| | Normal | 1,500,000 | 2,100,000 | 2,350,000 |
| | Downturn | 688,444 | 1,900,000 | 2,160,000 |
| | | | | |
| GDP growth rate (%) | Upturn | 5.04 | 5.66 | 6.05 |
| | Normal | 3.70 | 4.40 | 4.78 |
| | Downturn | 2.36 | 1.76 | 3.14 |

**Disclosures of various factors that impact the Subsidiaries ECL Model as at 31 December 2024.**

The following macro-economic forecasts under the different scenarios were adopted in the stated jurisdictions:

**Macro-Economic variable assumptions for individual customers:**

| Scenario | Macroeconomic Variable | United Kingdom | Ghana | Kenya | Serria-Leone | Rwanda | Gambia |
|---|---|---|---|---|---|---|---|
| Normal | Exchange rate (Per US$) | 1.320 | 14.90 | 123.00 | 22.44 | 1,382.99 | 69.89 |
| | inflation rate | 2.60% | 21.90% | 6.20% | 21.74% | 6.80% | 10.30% |
| | unemployment rate | 4.40% | 4.20% | 7.00% | 3.50% | 15.30% | 4.30% |
| | Residential Property Prices | n/a | n/a | n/a | n/a | n/a | n/a |
| | GDP | 1.50% | 4.40% | 6.00% | 4.52% | 8.11% | 5.70% |
| | | | | | | | |
| Upturn | Exchange rate (Per US$) | 1.250 | 13.80 | 115.00 | 24.10 | 1,435.76 | 68.50 |
| | inflation rate | 3.00% | 20.80% | 5.00% | 22.87% | 5.70% | 500.00% |
| | unemployment rate | 4.20% | 3.50% | 6.00% | 4.00% | 13.90% | 4.00% |
| | Residential Property Prices | n/a | n/a | n/a | n/a | n/a | n/a |
| | GDP | 1.60% | 5.50% | 5.50% | 4.00% | 8.70% | 5.90% |
| | | | | | | | |
| Downturn | Exchange rate (Per US$) | 1.440 | 15.50 | 120.00 | 24.50 | 1,504.30 | 71.00 |
| | inflation rate | 2.00% | 25.50% | 7.00% | 26.87% | 10.20% | 12.00% |
| | unemployment rate | 4.50% | 5.30% | 8.00% | 3.60% | 18.60% | 5.60% |
| | Residential Property Prices | n/a | n/a | n/a | n/a | n/a | n/a |
| | GDP | 1.00% | 3.50% | 6.50% | 3.60% | 5.80% | 5.50% |

### Macro-Economic variable assumptions for corporate customers:

| Scenario | Macroeconomic Variable | United Kingdom | Ghana | Kenya | Serria-Leone | Rwanda | Gambia |
|---|---|---|---|---|---|---|---|
| Normal | Exchange rate (Per US$) | 0.01 | 14.90 | 123.00 | 22.44 | 1,382.99 | 69.89 |
| | inflation rate | 2.60% | 21.90% | 6.20% | 21.74% | 4.10% | 10.30% |
| | GDP | 1.50% | 4.40% | 6.00% | 4.52% | 8.10% | 5.70% |
| | Crude($/pbl) | n/a | 75.50 | 80 | N/A | n/a | n/a |
| | | | | | | | |
| Upturn | Exchange rate (Per US$) | 1.07 | 13.80 | 115.00 | 24.10 | 1,435.76 | 68.50 |
| | inflation rate | 4.53% | 20.80% | 5.00% | 22.87% | 3.00% | 500.00% |
| | GDP | 1.60% | 5.50% | 5.50% | 4.00% | 8.70% | 5.90% |
| | Crude($/pbl) | n/a | 88.50 | 75 | n/a | n/a | n/a |
| | | | | | | | |
| Downturn | Exchange rate (Per US$) | 1.45 | 15.50 | 120.00 | 24.50 | 1,504.30 | 71.00 |
| | inflation | 6.14% | 25.50% | 7.00% | 26.87% | 7.50% | 12.00% |
| | GDP | 1.00% | 3.50% | 6.50% | 3.60% | 5.80% | 5.50% |
| | Crude($/pbl) | n/a | 72.50 | 85 | n/a | n/a | n/a |

### (vii) Impairment and provisioning policies

The following policies guide the Group's provisioning and impairment:

### (1) Loan Categorization

All loans and advances are categorized as follows during the current period:

- **Stage 1 Loans and Advances:**

These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. The credit quality of the Stage 1 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 1-6.

In addition to the above, Stage 1 loans and advances are loans that have experienced movement of credit rating of less than 3 notches migration from origination and are not in default

- **Stage 2 Loans and Advances:**

These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. The credit quality of the Stage 2 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned rating 7.

In addition to the above, Stage 2 loans and advances are loans that have experienced movement of credit rating of more than 3 notches migration from origination and are not in default.

- **Stage 3 Loans and Advances:**

These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. The credit quality of the Stage 3 loans and advances are assessed by reference to the internal rating system adopted by the Group (see Note 4(f)(ii) Credit Risk Measurement). These are assigned ratings 8-10.

### (2) Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. In accordance with IFRS 9 which requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).

Stage 1 – This is where credit risk has not increased significantly since initial recognition. For loans in stage 1, the Group recognises 12-month ECL and interest income is recognised on a gross basis – this means that interest will be calculated on the gross carrying amount of the loan before adjusting for ECL.

**Stage 2 -** This is where credit risk has increased significantly since initial recognition (stage 1). When a loan is transferred to stage 2, the Group recognises lifetime ECL but interest income will continue to be recognised on a gross basis.

**Stage 3 –** At stage 3, the loan is credit impaired. This is effectively the point at which there has been an incurred loss event. For loans in stage 3, the Group continues to recognise lifetime ECL but interest income is recognised on a net basis. This means that interest income will be calculated based on the gross carrying amount of the loan less ECL.

Realizable collaterals are important component of cash flows.

### (3) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

### (4) Governance structure around the ECL model:

The governance around the ECL model centres on the monitoring of performance of obligors in accordance with the term and conditions of the underlying facilities and ensure that the ratings assigned to each counterparty reflects the outcome of the internal rating model of the Group, tailored to the various categories and sectors of the counterparties. For this purpose, the Group has set up 3 level of structure with oversights on the review of credit performance and assign credit ratings. The three levels of governance structure are:

i) **Chief Risk Officer:** The Chief Risk Officer (CRO) works with the divisional heads and relationship managers to monitor and provide feedback on the performance of the facilities less than or equal to ₦100 million. This gives him insight into what the appropriate rating migration for each facility in this band should be.

ii) **An Executive Director (ED)** who is a member of the Board Risk Management Committee (BRMC): An ED who is a member of the BRMC has been assigned responsibility for the facilities above ₦100 million but less than ₦500 million. The ED works with the CRO, divisional heads and the relationship managers to monitor the facilities in this category. He ensures that adequate information as to the level of performance of these facilities is promptly retrieved and the counterparties are correctly rated.

iii) **The Managing Director (MD):** The Managing Director presides over the review of facilities over ₦500 million. The Managing Director may also decide to retain the oversight on the performance of all facilities irrespective of the amount.

Every decision made with respect to the performance of these facilities must be approved by the MD.

All the above approving authorities in respect of credit ratings consider number of days past due as one of the quantitative variables in the determination of the credit ratings to be assigned to credit facilities. Facilities that are 30 days past due are assigned a credit rating of 7 except appropriate rebuttals are in place to justify a better credit rating while Facilities that are 90 days past due are assigned a rating of 8 except appropriate rebuttals are in place to justify a better credit rating.

**(5) Policy around rebuttal:**

When backstop is used and an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 respectively, the presumption can be rebutted only on the basis of the following:

i) The relationship manager and divisional head must provide reasonable and supportable evidence for the rebuttal. In doing this, the evidence must be provided to the CRO and credit risk management team within 10 working days failure of which the transfer will be made.

ii) For accounts that are moved to stage 2, the CRO and credit risk management team will review the evidence provided by the relationship manager and provide feedback to the relationship manager as regards the acceptability of the evidence.

iii) For accounts that are moved to stage 3, the CRO and credit risk management team will review the evidence provided by the relationship manager. The account is then scheduled to be presented to the Criticised Asset Committee (CAC).

iv) CAC takes decision with respect to the acceptability of the evidence presented to it.

v) Where the evidence is deemed acceptable as stated in (ii) and (iv) above, the account is immediately transferred back to the previous stage. Where the evidence is not acceptable, the account is left in the new stage except the relationship manager is able to provide fresh evidence which will follow the same step above.

## (i) Credit quality of Stage 1 Loans and advances

The credit quality of the portfolio of Stage 1 loans and advances can be assessed by reference to the internal rating system adopted by the Group.

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Loans and advances to customers | | | | | | Loans and advances to banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | Individuals | | | Non-individuals | | | | | |
| Rating | Overdraft | Loans | Others | Overdraft | Loans | Others | Overdraft | Loans | Total |
| Exceptional capacity | 92,739 | 133,145,083 | 125,228 | 7,627,995 | 202,151,079 | 2,258 | - | - | 343,144,382 |
| Very strong capacity | 1,524,304 | 33,374,394 | - | 11,904,501 | 668,262,865 | 9,719,459 | - | - | 724,785,523 |
| Strong repayment capacity | 8,292,812 | 159,491,392 | - | 132,292,308 | 846,126,052 | 7,578 | - | - | 1,146,210,142 |
| Acceptable risk | 3,703,959 | 41,683,965 | - | 30,163,450 | 404,123,408 | 131,299 | 1,413 | - | 479,807,494 |
| **Total** | **13,613,814** | **367,694,834** | **125,228** | **181,988,254** | **2,120,663,404** | **9,860,594** | **1,413** | **-** | **2,693,947,541** |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans and advances to customers | | | | | | Loans and advances to banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | Individuals | | | Non-individuals | | | | | |
| Rating | Overdraft | Loans | Others | Overdraft | Loans | Others | Overdraft | Loans | Total |
| Exceptional capacity | 160,643 | 64,413,354 | 146,026 | 6,776,147 | 123,102,486 | 218,265 | - | - | 194,816,921 |
| Very strong capacity | 737,126 | 5,324,481 | - | 7,429,315 | 684,288,041 | 12,660,422 | - | - | 710,439,385 |
| Strong repayment capacity | 2,916,631 | 190,458,146 | - | 103,535,684 | 428,263,080 | 17,338,807 | 36 | - | 742,512,384 |
| Acceptable risk | 41,100,943 | 13,830,572 | - | 32,023,877 | 345,123,446 | 56,239 | 1,310 | - | 432,136,387 |
| **Total** | **44,915,343** | **274,026,553** | **146,026** | **149,765,023** | **1,580,777,053** | **30,273,733** | **1,346** | **-** | **2,079,905,077** |

### (ii) Stage 2 Loans and Advances to Customers

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans to Individual | Loans to Non-individual | Loans to Banks | Total |
|---|---|---|---|---|
| Gross Loans: | | | | |
| Loans | 5,069,242 | 54,456,908 | - | 59,526,150 |
| Overdraft | 2,047,941 | 13,609,929 | 212 | 15,658,082 |
| | **7,117,183** | **68,066,837** | **212** | **75,184,232** |
| | | | | |
| Impairment: | | | | |
| Loans | 117,828 | 8,368,255 | - | 8,486,083 |
| Overdraft | 219,963 | 495,929 | - | 715,892 |
| | **337,791** | **8,864,184** | **-** | **9,201,975** |
| | | | | |
| Net Amount: | | | | |
| Loans | 4,951,414 | 46,088,653 | - | 51,040,067 |
| Overdraft | 1,827,978 | 13,114,000 | 212 | 14,942,190 |
| | **6,779,392** | **59,202,653** | **212** | **65,982,257** |
| | | | | |
| FV of collateral[1]: | | | | |
| Loans | 8,546,600 | 78,862,755 | - | 87,409,355 |
| Overdraft | 3,452,772 | 35,896,031 | - | 39,348,803 |
| | **11,999,372** | **114,758,786** | **-** | **126,758,158** |
| | | | | |
| Amount of undercollateralisation: | | | | |
| Others | - | - | - | - |
| | - | - | 212 | - |
| | | | | |
| **Net Loans** | **6,779,392** | **59,202,653** | **212** | **65,982,257** |
| Amount of undercollateralisation on net loans | - | - | 212 | - |

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans to Individual | Loans to Non-individual | Loans to Banks | Total |
|---|---|---|---|---|
| Gross Loans: | | | | |
| Loans | 20,557,599 | 389,243,027 | - | 409,800,626 |
| Overdraft | 958,466 | 13,951,690 | - | 14,910,156 |
| Others | - | 427,149 | - | 427,149 |
| | **21,516,065** | **403,621,866** | **-** | **425,137,931** |
| | | | | |
| Impairment: | | | | |
| Loans | 145,553 | 49,316,062 | - | 49,461,615 |
| Overdraft | 119,274 | 1,272,182 | - | 1,391,456 |
| | **264,827** | **50,588,244** | **-** | **50,853,071** |
| | | | | |
| Net Amount: | | | | |
| Loans | 20,412,046 | 339,926,965 | - | 360,339,011 |
| Overdraft | 839,192 | 12,679,508 | - | 13,518,700 |
| Others | - | 427,149 | - | 427,149 |
| | **21,251,238** | **353,033,622** | **-** | **374,284,860** |
| | | | | |
| FV of collateral[1]: | | | | |
| Loans | 314,530,450 | 6,125,533,838 | - | 6,440,064,288 |
| Overdraft | 14,664,492 | 49,286,633 | - | 63,951,125 |
| Others | - | 578,087 | - | 578,087 |
| | **329,194,942** | **6,175,398,558** | **-** | **6,504,593,500** |
| | | | | |
| Amount of undercollater-alisation: | | | | |
| Overdraft | - | - | - | - |
| | - | - | - | - |
| | | | | |
| **Net Loans** | **21,251,238** | **353,033,622** | **-** | **374,284,860** |
| Amount of undercollater-alisation on net loans | - | - | - | - |

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

### (iii) Stage 3 Loans and Advances to Customers

The breakdown of gross amount of Stage 3 Loans, along with the fair value of related collateral held by the Group as security, are as follows:

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Loans to Individual | Loans to Non-individual | Loans to Banks | Total |
|---|---|---|---|---|
| Gross loans: | | | | |
| Loans | 25,383,194 | 86,983,649 | 162,924 | 112,529,767 |
| Overdraft | 2,573,042 | 36,043,569 | - | 38,616,611 |
| Others | - | 6,088 | - | 6,088 |
| | **27,956,236** | **123,033,306** | **162,924** | **151,152,466** |
| Impairment: | | | | |
| Loans | 20,184,010 | 54,278,858 | 76,688 | 74,539,556 |
| Overdraft | 2,528,142 | 10,357,119 | - | 12,885,261 |
| Others | - | - | - | - |
| | **22,712,152** | **64,635,977** | **76,688** | **87,424,817** |
| Net Amount: | | | | |
| Loans | 5,199,184 | 32,704,791 | 86,236 | 37,990,211 |
| Overdraft | 44,900 | 25,686,450 | - | 25,731,350 |
| Others | - | 6,088 | - | 6,088 |
| | 5,244,084 | 58,397,329 | 86,236 | 63,727,649 |
| FV of collateral[1]: | | | | |
| Loans | 17,252,392 | 40,318,705 | 105,081 | 57,676,178 |
| Overdraft | 1,748,839 | 47,794,628 | - | 49,543,467 |
| Others | - | 1,686,248 | - | 1,686,248 |
| **FV of collateral** | **19,001,231** | **89,799,581** | **105,081** | **108,905,893** |
| Amount of undercollaterali-sation: | | | | |
| Loans | 8,130,802 | 46,664,944 | 57,843 | 54,853,589 |
| Overdraft | 824,203 | - | - | - |
| Others | - | - | - | - |
| | **8,955,005** | **33,233,725** | **57,843** | **42,246,573** |
| | | | | |
| **Net Loans** | **5,244,084** | **58,397,329** | **86,236** | **63,727,649** |
| Amount of undercollaterali-sation on net loans | - | - | - | - |

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans to Individual | Loans to Non-individual | Loans to Banks | Total |
|---|---|---|---|---|
| Gross loans: | | | | |
| Loans | 12,928,221 | 71,880,915 | 153,681 | 84,962,817 |
| Overdraft | 2,204,866 | 22,410,891 | - | 24,615,757 |
| Others | - | 3,239 | - | 3,239 |
| | **15,133,087** | **94,295,045** | **153,681** | **109,581,813** |
| Impairment: | | | | |
| Loans | 2,819,650 | 41,599,307 | 88,000 | 44,506,957 |
| Overdraft | 424,567 | 18,552,777 | - | 18,977,344 |
| | **3,244,217** | **60,152,084** | **88,000** | **63,484,301** |
| Net Amount: | | | | |
| Loans | 10,108,571 | 30,281,608 | 65,681 | 40,455,860 |
| Overdraft | 1,780,299 | 3,858,114 | - | 5,638,413 |
| Others | - | 3,239 | - | 3,239 |
| | **11,888,870** | **34,142,961** | **65,681** | **46,097,512** |
| FV of collateral[1]: | | | | |
| Loans | 16,232,783 | 117,546,098 | 105,081 | 133,883,962 |
| Overdraft | 2,768,448 | 44,001,730 | - | 46,770,178 |
| Others | - | 998,947 | - | 998,947 |
| **FV of collateral** | **19,001,231** | **162,546,775** | **105,081** | **181,653,087** |
| Amount of undercollateralisation: | | | | |
| Loans | - | - | 48,600 | - |
| Overdraft | - | - | - | - |
| Others | - | - | - | - |
| | **-** | **-** | **48,600** | **-** |
| | | | | |
| **Net Loans** | **11,888,870** | **34,142,961** | **65,681** | **46,097,512** |
| Amount of undercollateralisation on net loans | - | - | - | - |

[1] The nature of fair value of collateral are set out in the summary of collaterals pledged against loans and advances.

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indexes of similar assets.

## Categorization of Loans and advances

The table below analyses the Group's Loans and advances based on the categorization by Performance of the Loans and the allowances taken on them.

**Dec-2024**

| | Group Dec-2024 | | | | Company Dec-2024 | | | |
|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Loans to Individual** | **Loans to non- Individual** | **Loans to Banks** | **Total** | **Loans to Individual** | **Loans to non- Individual** | **Loans to Banks** | **Total** |
| | | | | | | | | |
| Stage 1 - 12 months ECL | 381,433,876 | 2,312,512,252 | 1,413 | 2,693,947,541 | - | - | - | - |
| Stage 2 - Life Time ECL Not Credit Impaired | 7,117,183 | 68,066,837 | 212 | 75,184,232 | - | - | - | - |
| Stage 3 - Non Performing Loans | 27,956,236 | 123,033,306 | 162,924 | 151,152,466 | - | - | - | - |
| **Gross Loans and Advances** | **416,507,295** | **2,503,612,395** | **164,549** | **2,920,284,239** | **-** | **-** | **-** | **-** |
| | | | | | | | | |
| Less allowances for impairment: | | | | | | | | |
| | | | | | | | | |
| Stage 1 - 12 months ECL | 5,149,816 | 32,755,730 | 67 | 37,905,613 | - | - | - | - |
| Stage 2 - Life Time ECL Not Credit Impaired | 337,791 | 8,864,184 | - | 9,201,975 | - | - | - | - |
| Stage 3 - Non Performing Loans | 22,712,152 | 64,635,977 | 76,688 | 87,424,817 | - | - | - | - |
| **Total allowance** | **28,199,759** | **106,255,891** | **76,755** | **134,532,405** | **-** | **-** | **-** | **-** |
| | | | | | | | | |
| **Net Loans and Advances** | **388,307,536** | **2,397,356,504** | **87,794** | **2,785,751,834** | **-** | **-** | **-** | **-** |

### Dec-2023

| In thousands of Nigerian Naira | Group Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total | Company Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total |
|---|---|---|---|---|---|---|---|---|
| Stage 1 - 12 months ECL | 319,087,922 | 1,760,815,809 | 1,346 | 2,079,905,077 | - | - | - | - |
| Stage 2 - Life Time ECL Not Credit Impaired | 21,516,065 | 403,621,866 | - | 425,137,931 | - | - | - | - |
| Stage 3 - Non Performing Loans | 15,133,087 | 94,295,045 | 153,681 | 109,581,813 | - | - | - | - |
| **Gross Loans and Advances** | **355,737,074** | **2,258,732,720** | **155,027** | **2,614,624,821** | **-** | **-** | **-** | **-** |
| Less allowances for impairment: | | | | | | | | |
| Stage 1 - 12 months ECL | 3,717,869 | 16,319,185 | 92 | 20,037,146 | - | - | - | - |
| Stage 2 - Life Time ECL Not Credit Impaired | 264,827 | 50,588,244 | - | 50,853,071 | - | - | - | - |
| Stage 3 - Non Performing Loans | 3,244,217 | 60,152,084 | 88,000 | 63,484,301 | - | - | - | - |
| **Total allowance** | **7,226,913** | **127,059,513** | **88,092** | **134,374,518** | **-** | **-** | **-** | **-** |
| **Net Loans and Advances** | **348,510,161** | **2,131,673,207** | **66,935** | **2,480,250,303** | **-** | **-** | **-** | **-** |

Each category of the gross loans is further analysed into Product lines as follows:

**Dec-2023**

| | Group Dec-2024 | | | | Company Dec-2024 | | | |
|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Loans to Individual** | **Loans to non- Individual** | **Loans to Banks** | **Total** | **Loans to Individual** | **Loans to non- Individual** | **Loans to Banks** | **Total** |
| | | | | | | | | |
| Loans | 367,694,976 | 2,120,663,416 | - | 2,488,358,392 | - | - | - | - |
| Overdrafts | 13,613,672 | 181,988,086 | 1,413 | 195,603,171 | - | - | - | - |
| Others | 125,228 | 9,860,750 | - | 9,985,978 | - | - | - | - |
| **Stage 1 - 12 Months ECL** | **381,433,876** | **2,312,512,252** | **1,413** | **2,693,947,541** | **-** | **-** | **-** | **-** |
| Loans | 5,069,242 | 54,456,908 | - | 59,526,150 | - | - | - | - |
| Overdrafts | 2,047,941 | 13,609,929 | 212 | 15,658,082 | - | - | - | - |
| **Stage 2 - Life Time ECL Not Credit Impaired** | **7,117,183** | **68,066,837** | **212** | **75,184,232** | **-** | **-** | **-** | **-** |
| Loans | 25,383,194 | 86,983,649 | 162,924 | 112,529,767 | - | - | - | - |
| Overdrafts | 2,573,042 | 36,043,569 | - | 38,616,611 | - | - | - | - |
| Others | - | 6,088 | - | 6,088 | - | - | - | - |
| **Stage 3 - Non Performing Loans** | **27,956,236** | **123,033,306** | **162,924** | **151,152,466** | **-** | **-** | **-** | **-** |
| **Total Loans and Advances** | **416,507,295** | **2,503,612,395** | **164,549** | **2,920,284,239** | **-** | **-** | **-** | **-** |

The impairment allowance on loans is further analysed as follows:

| In thousands of Nigerian Naira | Group Dec-2024 Loans to Individual | Loans to non- Individual | Loans to Banks | Total | Company Dec-2024 Loans to Individual | Loans to non- Individual | Loans to Banks | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Stage 1: 12 Months ECL** | | | | | | | | |
| Loans | 4,446,191 | 21,953,480 | - | 26,399,671 | - | - | - | - |
| Overdrafts | 703,625 | 10,766,983 | 67 | 11,470,675 | - | - | - | - |
| Others | - | 35,267 | - | 35,267 | - | - | - | - |
| | **5,149,816** | **32,755,730** | **67** | **37,905,613** | **-** | **-** | **-** | **-** |
| **Stage 2: Life Time ECL Not Credit Impaired** | | | | | | | | |
| Loans | 117,828 | 8,368,255 | - | 8,486,083 | - | - | - | - |
| Overdrafts | 219,963 | 495,929 | - | 715,892 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| | **337,791** | **8,864,184** | **-** | **9,201,975** | **-** | **-** | **-** | **-** |
| **Stage 3: Non Performing Loans** | | | | | | | | |
| Loans | 20,184,010 | 54,278,858 | 76,688 | 74,539,556 | - | - | - | - |
| Overdrafts | 2,528,142 | 10,357,119 | - | 12,885,261 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| | **22,712,152** | **64,635,977** | **76,688** | **87,424,817** | **-** | **-** | **-** | **-** |
| **Total allowance** | **28,199,759** | **106,255,891** | **76,755** | **134,532,405** | **-** | **-** | **-** | **-** |

Each category of the gross loans is further analysed into Product lines as follows:

**Dec-2023**

| In thousands of Nigerian Naira | Group Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total | Company Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| Loans | 274,026,705 | 1,580,777,089 | - | 1,854,803,794 | - | - | - | - |
| Overdrafts | 44,915,718 | 149,764,832 | 1,346 | 194,681,896 | - | - | - | - |
| Others | 145,499 | 30,273,888 | - | 30,419,387 | - | - | - | - |
| **Stage 1 - 12 Months ECL** | **319,087,922** | **1,760,815,809** | **1,346** | **2,079,905,077** | **-** | **-** | **-** | **-** |
| Loans | 20,557,599 | 389,243,027 | - | 409,800,626 | - | - | - | - |
| Overdrafts | 958,466 | 13,951,690 | - | 14,910,156 | - | - | - | - |
| **Stage 2 - Life Time ECL Not Credit Impaired** | **21,516,065** | **403,621,866** | **-** | **425,137,931** | **-** | **-** | **-** | **-** |
| Loans | 12,928,221 | 71,880,915 | 153,681 | 84,962,817 | - | - | - | - |
| Overdrafts | 2,204,866 | 22,410,891 | - | 24,615,757 | - | - | - | - |
| Others | - | 3,239 | - | 3,239 | - | - | - | - |
| **Stage 3 - Non Performing Loans** | **15,133,087** | **94,295,045** | **153,681** | **109,581,813** | **-** | **-** | **-** | **-** |
| **Total Loans and Advances** | **355,737,074** | **2,258,732,720** | **155,027** | **2,614,624,821** | **-** | **-** | **-** | **-** |

The impairment allowance on loans  is further analysed as follows:

| In thousands of Nigerian Naira | Group Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total | Company Dec-2023 Loans to Individual | Loans to non- Individual | Loans to Banks | Total |
|---|---|---|---|---|---|---|---|---|
| **Stage 1: 12 Months ECL** | | | | | | | | |
| Loans | 2,745,902 | 10,737,209 | - | 13,483,111 | - | - | - | - |
| Overdrafts | 971,967 | 5,243,323 | 92 | 6,215,382 | - | - | - | - |
| Others | - | 338,653 | - | 338,653 | - | - | - | - |
| | **3,717,869** | **16,319,185** | **92** | **20,037,146** | **-** | **-** | **-** | **-** |
| **Stage 2: Life Time ECL Not Credit Impaired** | | | | | | | | |
| Loans | 145,553 | 49,316,062 | - | 49,461,615 | - | - | - | - |
| Overdrafts | 119,274 | 1,272,182 | - | 1,391,456 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| | **264,827** | **50,588,244** | **-** | **50,853,071** | **-** | **-** | **-** | **-** |
| **Stage 3: Non Performing Loans** | | | | | | | | |
| Loans | 2,819,650 | 41,599,307 | 88,000 | 44,506,957 | - | - | - | - |
| Overdrafts | 424,567 | 18,552,777 | - | 18,977,344 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| | **3,244,217** | **60,152,084** | **88,000** | **63,484,301** | **-** | **-** | **-** | **-** |
| **Total allowance** | **7,226,913** | **127,059,513** | **88,092** | **134,374,518** | **-** | **-** | **-** | **-** |

### (v) Credit collateral

GTCO Plc Group ensures that each credit is reviewed and granted based on the strength of the borrowers' cash flow. However, the Group also ensures its credit facilities are well secured as a second way out. The guidelines for acceptable collateral for credit facilities are embedded in the Credit Policy Guide. These include the following policy statements amongst others:

Loans to individuals and non-individuals are to be secured by tangible, marketable collateral that has a market value. The value of the collateral must be supported by a valuation report from a registered estate valuer where applicable who is acceptable to the Group. The collateral must also be easy to check and easy to dispose of. This collateral must be in the possession of, or pledged to, the Group.

All collateral offered must have the following attributes:

- There must be a good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

The main collateral types acceptable to the Group for loans and advances include:

- Mortgages over residential properties.
- Charges over business premises, fixed and floating assets as well as inventory.
- Charges over financial instruments such as equities, treasury bills etc.
- Financial guarantees

The fair values of collaterals are based upon the last annual valuation undertaken by independent valuers on behalf of the Group. The valuation techniques adopted for properties are based upon fair values of similar properties in the neighbourhood taking into cognizance the advantages and disadvantages of the comparatives over the subject property and any other factor which can affect the valuation e.g. subsequent movements in house prices, after making allowance for dilapidations. The fair values of non-property collaterals (such as equities, bonds, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instruments.

The same Fair value approach is used in determining the value of the collateral in the course of sale or realization. The Group uses external agents to realize the value as soon as practicable, generally at auction, to settle indebtedness. Where there are any surplus funds, this is returned to the borrower.

**Summary of collaterals pledged by customers against loans and advances**

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers and banks is shown below:

**Group**
**Dec-2024**

| | Loans and advances to customers | | Loans and advances to Banks | |
|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Gross Loans** | **Collateral** | **Gross Loans** | **Collateral** |
| Against Stage 1 Loans and Advances | 2,693,946,128 | 10,109,366,350 | 1,413 | - |
| Against Stage 2 Loans and Advances | 75,184,020 | 126,758,158 | 212 | - |
| Against Stage 3 Loans and Advances | 150,989,542 | 108,800,812 | 162,924 | 105,081 |
| **Total** | **2,920,119,690** | **10,344,925,320** | **164,549** | **105,081** |

**Group**
**Dec-2023**

| | Loans and advances to customers | | Loans and advances to Banks | |
|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Gross Loans** | **Collateral** | **Gross Loans** | **Collateral** |
| Against Stage 1 Loans and Advances | 2,079,903,731 | 16,001,252,689 | 1,346 | 169 |
| Against Stage 2 Loans and Advances | 425,137,931 | 6,504,593,500 | - | - |
| Against Stage 3 Loans and Advances | 109,428,132 | 181,548,006 | 153,681 | 105,081 |
| **Total** | **2,614,469,794** | **22,687,394,195** | **155,027** | **105,250** |

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Loans and advances to customers Dec-2024 | Loans and advances to Banks Dec-2024 |
|---|---|---|
| **Against Stage 1 Loans and Advances:** | | |
| Property | 9,245,226,428 | - |
| Equities | 168,404,041 | - |
| Cash | 436,641,198 | - |
| Guarantees | 90,667,770 | - |
| Negative pledge | 4,393,413 | - |
| ATC*, stock hypothecation and ISPO* | 18,301,418 | |
| Others # | 145,732,082 | - |
| **Total** | **10,109,366,350** | **-** |
| | | |
| **Against Stage 2 Loans and Advances:** | | |
| Property | 108,142,287 | - |
| Equities | 1,407,603 | - |
| Cash | 4,710,435 | - |
| Guarantees | 150,187 | - |
| Others # | 12,347,646 | - |
| **Total** | **126,758,158** | **-** |
| | | |
| **Against Stage 3 Loans and Advances:** | | |
| Property | 62,990,891 | - |
| Equities | 23,539,621 | 105,081 |
| Cash | 1,519,486 | - |
| Guarantees | 2,306,754 | - |
| Others # | 18,444,060 | - |
| **Total** | **108,800,812** | **105,081** |
| | | |
| **Grand total** | **10,344,925,320** | **105,081** |

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

The type of Collaterals and Other Security enhancement held against the various loan classifications are disclosed in the table below:

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans and advances to customers Dec-2023 | Loans and advances to Banks Dec-2023 |
|---|---|---|
| **Against Stage 1 Loans and Advances:** | | |
| Property | 15,282,926,439 | - |
| Equities | 165,836,209 | - |
| Treasury bills | 5,280,336 | - |
| Cash | 135,123,203 | - |
| Guarantees | 173,602,834 | - |
| Negative pledge | 3,573,167 | - |
| ATC*, stock hypothecation and ISPO* | 17,522,896 | |
| Others # | 217,387,605 | 169 |
| **Total** | **16,001,252,689** | **169** |
| | | |
| **Against Stage 2 Loans and Advances:** | | |
| Property | 6,451,660,243 | - |
| Equities | 141,001 | - |
| Cash | 29,679,069 | - |
| Others # | 23,113,187 | - |
| **Total** | **6,504,593,500** | **-** |
| | | |
| **Against Stage 3 Loans and Advances:** | | |
| Property | 143,234,545 | 105,081 |
| Equities | 21,266 | - |
| Cash | 35,898,285 | - |
| Others # | 2,393,910 | - |
| **Total** | **181,548,006** | **105,081** |
| | | |
| **Grand total** | **22,687,394,195** | **105,250** |

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

**Summary of collaterals pledged by customers against loans and advances**

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Loans and advances to customers | | | | Loans and advances to banks | | | |
|---|---|---|---|---|---|---|---|---|
| | Term Loans | Overdrafts | Others | Total | Term Loans | Overdrafts | Others | Total |
| **Against Stage 1 Loans and Advances:** | | | | | | | | |
| Property | 8,805,290,620 | 419,856,413 | 20,079,395 | 9,245,226,428 | - | - | - | - |
| Equities | 167,965,013 | 439,028 | - | 168,404,041 | - | - | - | - |
| Cash | 299,691,935 | 134,657,392 | 2,291,871 | 436,641,198 | - | - | - | - |
| Guarantees | 89,473,237 | 364,477 | 830,056 | 90,667,770 | - | - | - | - |
| Negative Pledge | 4,393,413 | - | - | 4,393,413 | - | - | - | - |
| ATC*, stock hypothecation and ISPO* | 15,737,211 | 2,564,207 | - | 18,301,418 | - | - | - | - |
| Others # | 139,829,120 | 5,199,042 | 703,920 | 145,732,082 | - | - | - | - |
| **Total** | **9,522,380,549** | **563,080,559** | **23,905,242** | **10,109,366,350** | **-** | **-** | **-** | **-** |
| **Against Stage 2 Loans and Advances:** | | | | | | | | |
| Property | 82,183,141 | 25,959,146 | - | 108,142,287 | - | - | - | - |
| Equities | - | 1,407,603 | - | 1,407,603 | - | - | - | - |
| Cash | 4,698,844 | 11,591 | - | 4,710,435 | - | - | - | - |
| Guarantees | 150,187 | - | - | 150,187 | - | - | - | - |
| Others # | 377,183 | 11,970,463 | - | 12,347,646 | - | - | - | - |
| **Total** | **87,409,355** | **39,348,803** | **-** | **126,758,158** | **-** | **-** | **-** | **-** |
| **Against Stage 3 Loans and Advances:** | | | | | | | | |
| Property | 37,854,630 | 24,448,961 | 687,300 | 62,990,891 | - | - | - | - |
| Equities | 18,387,398 | 4,153,275 | 998,948 | 23,539,621 | 105,081 | - | - | 105,081 |
| Cash | 1,275,452 | 244,034 | - | 1,519,486 | - | - | - | - |
| Guarantees | - | 2,306,754 | - | 2,306,754 | - | - | - | - |
| Others # | 53,617 | 18,390,443 | - | 18,444,060 | - | - | - | - |
| **Total** | **57,571,097** | **49,543,467** | **1,686,248** | **108,800,812** | **105,081** | **-** | **-** | **105,081** |
| **Grand total** | **9,667,361,001** | **651,972,829** | **25,591,490** | **10,344,925,320** | **105,081** | **-** | **-** | **105,081** |

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

**Summary of collaterals pledged by customers against loans and advances**

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Loans and advances to customers | | | | Loans and advances to banks | | | |
|---|---|---|---|---|---|---|---|---|
| | Term Loans | Overdrafts | Others | Total | Term Loans | Over-drafts | Others | Total |
| **Against Stage 1 Loans and Advances:** | | | | | | | | |
| Property | 15,019,697,343 | 169,120,922 | 94,108,174 | 15,282,926,439 | - | - | - | - |
| Equities | 164,276,740 | 397,058 | 1,162,411 | 165,836,209 | - | - | - | - |
| Cash | 116,007,542 | 5,887,092 | 13,228,569 | 135,123,203 | - | - | - | - |
| Guarantees | 171,067,774 | 1,479,092 | 1,055,968 | 173,602,834 | - | - | - | - |
| Negative Pledge | 1,960,674 | 635,442 | 977,051 | 3,573,167 | - | - | - | - |
| Treasury Bills | 5,280,336 | | - | 5,280,336 | - | - | - | - |
| ATC*, stock hypothecation and ISPO* | 16,676,615 | 846,281 | - | 17,522,896 | - | - | - | - |
| Others # | 160,331,856 | 56,004,224 | 1,051,525 | 217,387,605 | - | 169 | - | 169 |
| **Total** | **15,655,298,880** | **234,370,111** | **111,583,698** | **16,001,252,689** | **-** | **169** | **-** | **169** |
| **Against Stage 2 Loans and Advances:** | | | | | | | | |
| Property | 6,410,895,798 | 40,764,445 | - | 6,451,660,243 | - | - | - | - |
| Equities | - | 141,001 | - | 141,001 | - | - | - | - |
| Cash | 29,065,171 | 35,811 | 578,087 | 29,679,069 | - | - | - | - |
| Others # | 103,319 | 23,009,868 | - | 23,113,187 | - | - | - | - |
| **Total** | **6,440,064,288** | **63,951,125** | **578,087** | **6,504,593,500** | **-** | **-** | **-** | **-** |
| **Against Stage 3 Loans and Advances:** | | | | | | | | |
| Property | 98,322,120 | 43,913,478 | 998,947 | 143,234,545 | 105,081 | - | - | 105,081 |
| Equities | - | 21,266 | - | 21,266 | - | - | - | - |
| Cash | 34,921,597 | 976,688 | - | 35,898,285 | - | - | - | - |
| Others # | 535,164 | 1,858,746 | - | 2,393,910 | - | - | - | - |
| **Total** | **133,778,881** | **46,770,178** | **998,947** | **181,548,006** | **105,081** | **-** | **-** | **105,081** |
| **Grand total** | **22,229,142,049** | **345,091,414** | **113,160,732** | **22,687,394,195** | **105,081** | **169** | **-** | **105,250** |

*ISPO: Irrevocable standing payment order
*ATC: Authority to collect
#Others include Domiciliation, Counter Indemnity, Asset Debenture, etc

**(b) Credit risk (continued)**

**Debt securities**

The table below shows analysis of debt securities into the different classifications:

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Financial assets at fair value through profit or loss | Investment securities | Assets pledged as collateral | Total |
|---|---|---|---|---|
| Federal government bonds | 20,208,276 | 1,365,146,980 | - | 1,385,355,256 |
| State government bonds | - | 1,485,591 | - | 1,485,591 |
| Treasury bills | 33,178,856 | 2,712,051,155 | 114,570,075 | 2,859,800,086 |
| Corporate bonds | - | 1,482,714 | - | 1,482,714 |
| Euro bond | 6,211,395 | 59,800,445 | - | 66,011,840 |
| Commercial Paper | - | - | - | - |
| Promissory Notes | 4,470 | - | - | 4,470 |
| | **59,602,997** | **4,139,966,885** | **114,570,075** | **4,314,139,957** |

The Group's investment in risk-free Government securities constitutes 99.9% of debt instruments portfolio (December 2023: 98.8%). Investment in Corporate and State Government bonds accounts for the outstanding 0.1% (December 2023: 1.2%).

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Financial assets at fair value through profit or loss | Investment securities | Assets pledged as collateral | Total |
|---|---|---|---|---|
| Federal government bonds | 16,648,838 | 613,457,466 | - | 630,106,304 |
| State government bonds | - | 1,719,519 | - | 1,719,519 |
| Corporate bonds | - | 1,102,366 | - | 1,102,366 |
| Promissory Notes | 3,789 | 1,362 | - | 5,151 |
| Commercial Paper | - | 27,532,674 | - | 27,532,674 |
| Euro Bond | 3,622,871 | 64,953,018 | - | 68,575,889 |
| Treasury bills | 7,791,115 | 1,219,626,082 | 86,552,701 | 1,313,969,898 |
| Special Bills | - | 534,842,582 | - | 534,842,582 |
| | **28,066,613** | **2,463,235,069** | **86,552,701** | **2,577,854,383** |

### (g) Liquidity Risk

Liquidity risk is the risk that the Group, though having a solvent balance sheet, might not be able to generate sufficient cash resources to meet its obligations as they fall due, or is only able to do so at an excessive cost. The risk typically arises from mismatches in the timing of cash inflows and cash outflows.

The objective of the Group's liquidity risk management system is to ensure that all foreseeable funding commitments can be met when due, and that access to wholesale markets is controlled and cost effective. To this end the Group maintains a diversified funding base comprising of retail, small business, commercial and institutional customer deposits. The Group continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk across its network. Seeking at all times to balance safety, liquidity, profitability and regulatory requirements.

A brief overview of the Group's liquidity management processes during the year includes the following:
1. Control of liquidity risk by the setting of dynamic limits on metrics such as liquidity ratio, reserve ratio, asset and liability gap measures, amongst others. Internal limits are typically more stringent than regulatory limits across all jurisdictions of the Group's operation.
2. The limits are monitored regularly with exceptions reported to the Management Risk Committee (MRC) and the Board.
3. Based on its judgement of financial market trends, the Group actively adjusts its business strategies to manage liquidity risk.
4. Periodic cash flow projections considering its impact on internal and regulatory limits.
5. Control of non-earning assets proportion to manage its impact on the Group's overall financial position.
6. Conduct regular liquidity stress tests including testing of contingency plans.
7. Monitor diversification of funding sources in order to control concentration risk and ensure a satisfactorily funding mix.
8. Monitoring the level of undrawn commitments.
9. Maintain an updated liquidity and contingency funding plan. These plans will identify stress indicators and prescribe actions to be taken in event of firm specific or market-based crises.
10. Regular conduct of the Asset and Liability Management Committee (ALMAC) meetings.

The Group's Asset and Liability Management Committee (ALMAC) is charged with the following responsibilities.
1. Establishing policies and tolerance levels, from both risk and return perspectives, for liquidity, interest rate and balance sheet valuation management.
2. Manage the intra-day liquidity position to ensure that payment and settlement obligations are met on a timely basis.
3. Strategic financial position planning from both risk and return perspective.
4. Strategically coordinate the management of the Bank's financial position in consideration of changing economic conditions.

#### (i) Funding approach

The Group's overall approach to funding is as follows:
1. Consistently grow customer deposits from diverse sources particularly along geographical and sectorial categories. The objective is to eliminate depositor concentration or undue reliance on individual depositors.
2. Generate funding at the most appropriate pricing in light of market realities.
3. Maintain an appropriate funding structure that enables the Group to operate under a variety of adverse circumstance, including potential firm-specific and/or market liquidity events.
4. Maintain appropriate capital to support the Group's risk level and strategic intent.

The Group was able to meet all its financial commitments and obligations without any liquidity risk exposure during the year under review.

#### (ii) Exposure to Liquidity Risk

One of the key measures used by the Group for managing liquidity risk is the ratio of liquid assets to short term liabilities. For this purpose, liquid assets include but is not limited to cash and its equivalents and investment grade debt securities for which there is an active and liquid market. Short term liabilities include local currency deposits from banks and customers. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the Bank's lead regulator (The Central Bank of Nigeria).

| | Dec-24 | Dec-23 |
|---|---|---|
| | | |
| At end of year | 49.19% | 31.08% |
| Average for the year | 44.25% | 36.14% |
| Maximum for the year | 50.48% | 38.03% |
| Minimum for the year | 38.61% | 31.08% |
| Regulatory requirement | 30.00% | 30.00% |

Liquidity ratio which is a measure of liquidity risk is calculated as a ratio of local currency liquid assets expressed as a percentage of its local currency customer deposits.

## Financial risk management (continued)

The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities.

### (iii) Gross nominal (undiscounted) maturities of financial assets and liabilities

| Group Dec-2024 In thousands of Nigerian Naira | Note | Carrying amount | Gross nominal inflow/outflow | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | | |
| Cash and bank balances | 22 | 4,673,048,120 | 4,677,680,693 | 4,401,873,638 | 187,736,570 | 88,070,485 | - | - |
| Financial assets at fair value through profit or loss | 23 | 59,602,997 | 63,366,445 | 27,108,003 | 2,415,674 | 15,686,147 | 4,790,746 | 13,365,875 |
| Derivative financial assets | 24 | - | - | - | - | - | - | - |
| **Investment securities:** | - | | | | | | | |
| – Fair Value through other comprehensive Income[2] | 25 | 2,492,242,832 | 2,786,896,444 | 1,060,731,472 | 410,704,652 | 786,853,722 | 482,202,032 | 46,404,566 |
| – Held at amortised cost | 25 | 1,647,724,053 | 1,648,586,308 | 487,448,708 | 67,637,664 | 407,093,041 | 489,389,484 | 197,017,411 |
| Assets pledged as collateral | 26 | 114,570,075 | 118,845,358 | 117,845,358 | - | 1,000,000 | - | - |
| Loans and advances to banks | 27 | 87,794 | 87,795 | 87,795 | - | - | - | - |
| Loans and advances to customers | 28 | 2,785,664,040 | 3,170,640,427 | 1,045,774,477 | 319,143,676 | 669,381,694 | 1,120,766,239 | 15,574,341 |
| Restricted deposits and other assets[3] | 33 | 2,398,662,985 | 2,398,663,239 | 1,927,803,752 | 283,125,191 | 151,429,234 | 36,305,062 | - |
| | | **14,171,602,896** | **14,864,766,709** | **9,068,673,203** | **1,270,763,427** | **2,119,514,323** | **2,133,453,563** | **272,362,193** |
| **Financial liabilities** | | | | | | | | |
| Deposits from banks | 34 | 388,420,244 | 388,421,161 | 337,800,311 | 37,855,341 | 12,765,509 | - | - |
| Deposits from customers | 35 | 10,013,021,406 | 10,014,669,755 | 9,615,659,093 | 127,078,378 | 267,237,529 | 4,540,362 | 154,393 |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | 62,592,790 | 373,236 | - | - | 62,219,554 | - |
| Derivative financial liabilities | 24 | 10,759,624 | 11,301,600 | 11,301,600 | - | - | - | - |
| Other liabilities[4] | 37 | 927,420,257 | 1,014,367,358 | 474,841,692 | 198,054,424 | 262,445,793 | 54,825,450 | 24,200,000 |
| Other borrowed funds | 39 | 310,021,046 | 317,665,633 | 39,114,322 | 256,788,485 | 2,451,166 | 10,836,557 | 8,475,103 |
| | | **11,700,817,045** | **11,809,018,297** | **10,479,090,254** | **619,776,628** | **544,899,997** | **132,421,923** | **32,829,496** |
| **Gap (asset - liabilities)** | | | | **(1,410,417,051)** | **650,986,799** | **1,574,614,326** | **2,001,031,640** | **239,532,697** |
| **Cumulative liquidity gap** | | | | **(1,410,417,051)** | **(759,430,251)** | **815,184,075** | **2,816,215,715** | **3,055,748,412** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under Gross Nominal consideration.
[3] Excludes Prepayments and Stock
[4] Excludes deferred Income, impairment on contingents, provision for restoration and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

## Gross nominal (undiscounted) maturities of financial assets and liabilities

| Group<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Gross nominal inflow/outflow | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | | |
| Cash and bank balances | 22 | 2,309,618,698 | 2,322,807,626 | 2,011,006,481 | 168,188,678 | 143,612,467 | - | - |
| Financial assets at fair value through profit or loss | 23 | 28,066,613 | 53,051,140 | 9,199,112 | 480,250 | 3,727,462 | 2,972,313 | 36,672,003 |
| Derivative financial assets | 24 | 28,961,143 | 149,688,735 | 104,417,000 | - | 45,271,735 | - | - |
| **Investment securities:** | - | | | | | | | |
| – Fair value through profit or loss[2] | 25 | - | - | - | - | - | - | - |
| – Fair Value through other comprehensive Income2 | 25 | 893,612,112 | 938,627,081 | 442,486,673 | 61,098,810 | 349,987,947 | 59,105,968 | 25,947,683 |
| – Held at amortised cost | 25 | 1,571,317,478 | 1,585,821,193 | 731,778,408 | 262,266,586 | 243,186,613 | 269,758,430 | 78,831,156 |
| Assets pledged as collateral | 26 | 86,552,701 | 92,145,718 | 13,151,718 | - | 78,994,000 | - | - |
| Loans and advances to banks | 27 | 66,935 | 66,935 | 66,935 | - | - | - | - |
| Loans and advances to customers | 28 | 2,480,183,368 | 2,782,676,274 | 1,176,369,253 | 304,401,404 | 322,558,747 | 908,053,553 | 71,293,317 |
| Restricted deposits and other assets[3] | 33 | 1,944,380,766 | 1,944,380,768 | 1,905,549,781 | 9,072,410 | 5,539,973 | 24,218,604 | - |
| | | **9,342,759,814** | **9,869,265,470** | **6,394,025,361** | **805,508,138** | **1,192,878,944** | **1,264,108,868** | **212,744,159** |
| **Financial liabilities** | | | | | | | | |
| Deposits from banks | 34 | 136,053,409 | 136,053,408 | 127,022,100 | 4,105,140 | 4,926,168 | - | - |
| Deposits from customers | 35 | 7,410,834,190 | 7,412,132,868 | 7,214,942,520 | 65,254,074 | 120,035,280 | 11,773,746 | 127,248 |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | 2,837,378 | - | - | 250,000 | - | 2,587,378 |
| Derivative financial liabilities | 24 | - | - | - | - | - | - | - |
| Other liabilities[4] | 37 | 417,433,890 | 460,555,870 | 264,897,140 | 113,148,381 | 22,640,726 | 35,669,622 | 24,200,000 |
| Other borrowed funds | 39 | 72,119,485 | 72,119,488 | 46,003,236 | 1,430,596 | 3,254,948 | 12,330,669 | 9,100,039 |
| | | **8,037,250,316** | **8,083,699,012** | **7,652,864,996** | **183,938,191** | **151,107,122** | **59,774,037** | **36,014,665** |
| **Gap (asset – liabilities)** | | | | **(1,258,839,635)** | **621,569,947** | **1,041,771,822** | **1,204,334,831** | **176,729,494** |
| **Cumulative liquidity gap** | | | | **(1,258,839,635)** | **(637,269,688)** | **404,502,134** | **1,608,836,964** | **1,785,566,458** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under Gross Nominal consideration.
[3] Excludes Prepayments and Stock
[4] Excludes deferred Income, impairment on contingents, provision for restoration and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

## Gross nominal (undiscounted) maturities of financial assets and liabilities

| Company<br>Dec-2024<br>In thousands of Nigerian Naira | Note | Carrying amount | Gross nominal inflow/outflow | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | | |
| Cash and bank balances | 23 | 210,095,331 | 210,095,331 | 210,095,331 | - | - | - | - |
| Restricted deposits and other assets3 | 33 | 250,238,501 | 250,238,501 | - | 250,238,501 | - | - | - |
| | | **460,333,832** | **460,333,832** | **210,095,331** | **250,238,501** | **-** | **-** | **-** |
| Financial liabilities | | | | | | | | |
| Other liabilities[4] | 37 | 221,179,425 | 221,179,425 | - | - | 221,179,425 | - | - |
| | | **221,179,425** | **221,179,425** | **-** | **-** | **221,179,425** | **-** | **-** |
| **Gap (asset - liabilities)** | | | | **210,095,331** | **250,238,501** | **(221,179,425)** | **-** | **-** |
| **Cumulative liquidity gap** | | | | **210,095,331** | **460,333,832** | **239,154,407** | **239,154,407** | **239,154,407** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under Gross Nominal consideration.
[3] Excludes Prepayments and Stock
[4] Excludes deferred Income, impairment on contingents, provision for restoration and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

**Gross nominal (undiscounted) maturities of financial assets and liabilities**

| Company<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Gross nominal inflow/outflow | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| Financial liabilities | | | | | | | | |
| Cash and bank balances | 23 | 60,169 | 60,169 | 60,169 | - | - | - | - |
| | | **60,169** | **60,169** | **60,169** | **-** | **-** | **-** | **-** |
| Financial liabilities | | | | | | | | |
| Other liabilities4 | 38 | 16,483,941 | 16,483,941 | - | - | 16,483,941 | - | - |
| | | **16,483,941** | **16,483,941** | **-** | **-** | **16,483,941** | **-** | **-** |
| **Gap (asset - liabilities)** | | | | **60,169** | **-** | **(16,483,941)** | **-** | **-** |
| **Cumulative liquidity gap** | | | | **60,169** | **60,169** | **(16,423,772)** | **(16,423,772)** | **(16,423,772)** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under Gross Nominal consideration.
[3] Excludes Prepayments and Stock
[4] Excludes deferred Income, impairment on contingents, provision for restoration and provision for litigations
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

## Financial risk management (continued)

### (i) Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at year end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

| Group Dec-2024 In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 22 | 4,673,048,120 | 4,401,589,919 | 186,138,603 | 85,319,598 | - | - |
| Financial assets at fair value through profit or loss | 23 | 59,602,997 | 35,916,480 | 2,226,027 | 11,862,775 | 3,533,274 | 6,064,441 |
| Derivative financial assets | 24 | - | - | - | - | - | - |
| Investment securities: | | | | | | | |
| – Fair Value through other comprehensive Income[2] | 25 | 2,492,242,832 | 1,032,514,072 | 385,123,384 | 688,260,749 | 363,130,192 | 23,214,435 |
| – Held at amortised cost | 25 | 1,647,724,053 | 487,585,766 | 67,637,664 | 407,093,041 | 489,389,484 | 196,018,098 |
| Assets pledged as collateral | 26 | 114,570,075 | 113,729,714 | - | 840,361 | - | - |
| Loans and advances to banks | 27 | 87,794 | 87,794 | - | - | - | - |
| Loans and advances to customers | 28 | 2,785,664,040 | 947,086,595 | 274,041,337 | 611,039,262 | 937,922,767 | 15,574,079 |
| Restricted deposits and other assets[3] | 33 | 2,398,662,985 | 2,178,041,998 | 32,886,691 | 151,429,234 | 36,305,062 | - |
| | | **14,171,602,896** | **9,196,552,338** | **948,053,706** | **1,955,845,020** | **1,830,280,779** | **240,871,053** |
| Financial liabilities | | | | | | | |
| Deposits from banks | 34 | 388,420,244 | 337,799,394 | 37,855,341 | 12,765,509 | - | - |
| Deposits from customers | 35 | 10,013,021,406 | 9,614,220,333 | 126,954,787 | 267,153,316 | 4,539,503 | 153,467 |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | 342,354 | - | - | 50,832,114 | - |
| Derivative financial liabilities | 24 | 10,759,624 | 10,759,624 | - | - | - | - |
| Other liabilities[4] | 37 | 927,420,257 | 465,983,968 | 74,989,046 | 346,181,337 | 34,265,906 | 6,000,000 |
| Other borrowed funds | 39 | 310,021,046 | 37,205,371 | 255,364,715 | 1,477,006 | 8,125,785 | 7,848,169 |
| | | **11,700,817,045** | **10,466,311,044** | **495,163,889** | **627,577,168** | **97,763,308** | **14,001,636** |
| **Gap (asset - liabilities)** | | | **(1,269,758,706)** | **452,889,817** | **1,328,267,852** | **1,732,517,471** | **226,869,417** |
| **Cumulative liquidity gap** | | | **(1,269,758,706)** | **(816,868,889)** | **511,398,963** | **2,243,916,434** | **2,470,785,851** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments and Stock
[4] Excludes deferred income, provision for litigations ,provision for restoration cost, impairment on contingents
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

## Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

| Group<br>Dec-2024<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Transaction related bonds and guarantees | 42 | 592,945,965 | 71,946,308 | 53,401,245 | 95,346,030 | 24,103,482 | 348,148,900 |
| Clean line facilities and letters of credit | 42 | 26,580,227 | 9,092,551 | 6,068,821 | 8,521,090 | 2,897,765 | - |
| Other commitments | 42 | 48,951,258 | 48,951,258 | - | - | - | - |
| | | **668,477,450** | **129,990,117** | **59,470,066** | **103,867,120** | **27,001,247** | **348,148,900** |

[1] Includes balances with no specific contractual maturities

## Residual contractual maturities of financial assets and liabilities

| Group<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 22 | 2,309,618,698 | 2,005,936,198 | 165,661,126 | 138,021,374 | - | - |
| Financial assets at fair value through profit or loss | 23 | 28,066,613 | 9,196,810 | 463,191 | 3,460,104 | 2,043,317 | 12,903,191 |
| Derivative financial assets | 24 | 28,961,143 | 21,033,029 | - | 7,928,114 | - | - |
| Investment securities: | - | | | | | | |
| – Fair Value through other comprehensive Income[2] | 25 | 891,917,591 | 441,126,511 | 60,598,796 | 327,443,972 | 52,604,009 | 10,144,303 |
| – Held at amortised cost | 25 | 1,571,317,478 | 723,995,645 | 256,934,217 | 243,186,188 | 269,758,430 | 77,442,998 |
| Assets pledged as collateral | 26 | 86,552,701 | 13,151,718 | - | 73,400,983 | - | - |
| Loans and advances to banks | 27 | 66,935 | 66,935 | - | - | - | - |
| Loans and advances to customers | 28 | 2,480,183,368 | 1,125,784,410 | 269,327,283 | 272,026,795 | 747,206,870 | 65,838,010 |
| Restricted deposits and other assets[3] | 33 | 1,944,380,766 | 1,905,549,778 | 9,072,410 | 5,539,974 | 24,218,604 | - |
| | | **9,341,065,293** | **6,245,841,034** | **762,057,023** | **1,071,007,504** | **1,095,831,230** | **166,328,502** |
| Financial liabilities | | | | | | | |
| Deposits from banks | 34 | 136,053,409 | 127,022,101 | 4,105,140 | 4,926,168 | - | - |
| Deposits from customers | 35 | 7,410,834,190 | 7,213,944,537 | 65,076,876 | 119,916,336 | 11,773,746 | 122,695 |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | - | - | 220,220 | - | 589,122 |
| Derivative financial liabilities | 24 | - | - | - | - | - | - |
| Other liabilities4 | 37 | 417,433,890 | 262,181,685 | 101,763,270 | 25,195,421 | 22,293,514 | 6,000,000 |
| Other borrowed funds | 39 | 72,119,485 | 46,003,234 | 1,430,596 | 3,254,947 | 12,330,669 | 9,100,039 |
| | | **8,037,250,316** | **7,649,151,557** | **172,375,882** | **153,513,092** | **46,397,929** | **15,811,856** |
| **Gap (asset - liabilities)** | | | **(1,403,310,523)** | **589,681,141** | **917,494,412** | **1,049,433,301** | **150,516,646** |
| **Cumulative liquidity gap** | | | **(1,403,310,523)** | **(813,629,382)** | **103,865,030** | **1,153,298,331** | **1,303,814,977** |

[1] Includes balances with no specific contractual maturities
[2] Equity securities have been excluded under liquidity consideration.
[3] Excludes prepayments and Stock
[4] Excludes deferred income, provision for litigations ,provision for restoration cost, impairment on contingents
Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

## Residual contractual maturities of contingencies

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. The maximum amount of the contingencies is allocated to the earliest period in which the contingencies could be called.

| Group<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| Transaction related bonds and guarantees | 42 | 623,937,083 | 231,332,230 | 36,614,302 | 54,931,037 | 65,696,974 | 235,362,540 |
| Clean line facilities and letters of credit | 42 | 19,416,461 | 13,806,112 | 1,174,549 | 3,017,820 | 1,417,980 | - |
| Other commitments | 42 | 16,940,851 | 16,940,851 | - | - | - | - |
| | | **660,294,395** | **262,079,193** | **37,788,851** | **57,948,857** | **67,114,954** | **235,362,540** |

[1] Includes balances with no specific contractual maturities

## Residual contractual maturities of financial assets and liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk which is managed through a series of measures, tests and reports that are largely based on contractual maturity. The following table shows the contractual maturities at period end of the Group's financial assets and liabilities and represents actual and in some cases assumed obligation expected for the assets or liability to be recovered or settled. These figures do not include elements of future incomes or costs.

| Company<br>Dec-2024<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 23 | 210,095,331 | 210,095,331 | - | - | - | - |
| Restricted deposits and other assets[3] | 33 | 250,238,501 | - | 250,238,501 | - | - | - |
| | | **460,333,832** | **210,095,331** | **250,238,501** | **-** | **-** | **-** |
| Financial liabilities | | | | | | | |
| Other liabilities[4] | 37 | 221,179,425 | - | - | 221,179,425 | - | - |
| | | **221,179,425** | **-** | **-** | **221,179,425** | **-** | **-** |
| **Gap (asset - liabilities)** | | | **210,095,331** | **250,238,501** | **(221,179,425)** | **-** | **-** |
| **Cumulative liquidity gap** | | | **210,095,331** | **460,333,832** | **239,154,407** | **239,154,407** | **239,154,407** |

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and stock

[4] Excludes deferred income, provision for litigations & impairment on contingents

Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

**Residual contractual maturities of financial assets and liabilities**

| Company<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 23 | 60,169 | 60,169 | - | - | - | - |
| | | **60,169** | **60,169** | **-** | **-** | **-** | **-** |
| Financial liabilities | | | | | | | |
| Other liabilities[4] | 38 | 16,483,941 | - | - | 16,483,941 | - | - |
| | | **16,483,941** | **-** | **-** | **16,483,941** | **-** | **-** |
| **Gap (asset - liabilities)** | | | **60,169** | **-** | **(16,483,941)** | **-** | **-** |
| **Cumulative liquidity gap** | | | **60,169** | **60,169** | **(16,423,772)** | **(16,423,772)** | **(16,423,772)** |

[1] Includes balances with no specific contractual maturities

[2] Equity securities have been excluded under liquidity consideration.

[3] Excludes prepayments and stock

[4] Excludes deferred income and provision for litigations

Management of this liquidity gap is as disclosed in Note 4(g)
Restricted deposits have been bucketed within "less than 3 months" to match the underlying deposit liabilities

### (ii) Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

| Group<br>Dec–2024<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 22 | 4,673,048,120 | 4,376,387,766 | 203,297,497 | 93,362,857 | - | - |
| Financial assets at fair value through profit or loss | 23 | 59,602,997 | 35,916,480 | 2,226,027 | 11,862,775 | 3,533,274 | 6,064,441 |
| Derivative financial assets | 24 | - | - | - | - | - | - |
| Investment securities: | | | | | | | |
| – Fair Value through other comprehensive Income[1] | 25 | 2,492,242,832 | 1,032,514,072 | 385,123,384 | 688,260,749 | 363,130,192 | 23,214,435 |
| – Held at amortised cost | 25 | 1,647,724,053 | 397,220,792 | 105,289,742 | 459,805,937 | 489,389,484 | 196,018,098 |
| Assets pledged as collateral | 26 | 114,570,075 | 113,729,714 | - | 840,361 | - | - |
| Loans and advances to banks | 27 | 87,794 | 87,794 | - | - | - | - |
| Loans and advances to customers | 28 | 2,785,664,040 | 947,086,595 | 274,041,337 | 611,039,262 | 937,922,767 | 15,574,079 |
| Restricted deposits and other assets[2] | 33 | 2,398,662,985 | 2,178,041,998 | 32,886,691 | 151,429,234 | 36,305,062 | - |
| | | **14,171,602,896** | **9,080,985,211** | **1,002,864,678** | **2,016,601,175** | **1,830,280,779** | **240,871,053** |
| | | | | | | | |
| Financial liabilities | | | | | | | |
| Deposits from banks | 34 | 388,420,244 | 337,799,394 | 37,855,341 | 12,765,509 | - | - |
| Deposits from customers | 35 | 10,013,021,406 | 9,552,706,622 | 159,330,421 | 296,291,393 | 4,539,503 | 153,467 |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | 342,354 | - | - | 50,832,114 | - |
| Derivative financial liabilities | 24 | 10,759,624 | 10,759,624 | - | - | - | - |
| Other liabilities[3] | 37 | 927,420,257 | 465,028,685 | 75,944,329 | 346,181,337 | 34,265,906 | 6,000,000 |
| Other borrowed funds | 39 | 310,021,046 | 37,205,371 | 255,364,715 | 1,477,006 | 8,125,785 | 7,848,169 |
| | | **11,700,817,045** | **10,403,842,050** | **528,494,806** | **656,715,245** | **97,763,308** | **14,001,636** |
| | | **2,470,785,851** | **(1,322,856,839)** | **474,369,872** | **1,359,885,930** | **1,732,517,471** | **226,869,417** |

[1] Excludes equity securities.
[2] Excludes prepayments and Stocks
[3] Excludes deferred income, provison for restoration cost, provision for litigations & impairment on contingents

### (ii) Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

| Group<br>Dec-2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 22 | 2,309,618,698 | 2,005,936,198 | 165,661,126 | 138,021,374 | - | - |
| Financial assets at fair value through profit or loss | 23 | 28,066,613 | 9,196,810 | 463,191 | 3,460,104 | 2,043,317 | 12,903,191 |
| Derivative financial assets | 24 | 28,961,143 | 21,033,029 | - | 7,928,114 | - | - |
| Investment securities: | - | | | | | | |
| - Fair Value through other comprehensive Income[1] | 25 | 891,917,591 | 441,126,511 | 60,598,796 | 327,443,972 | 52,604,009 | 10,144,303 |
| – Held at amortised cost | 25 | 1,571,317,478 | 723,995,646 | 256,934,216 | 243,186,188 | 269,758,430 | 77,442,998 |
| Assets pledged as collateral | 26 | 86,552,701 | 13,151,718 | - | 73,400,983 | - | - |
| Loans and advances to banks | 27 | 66,935 | 66,935 | - | - | - | - |
| Loans and advances to customers | 28 | 2,480,183,368 | 1,125,784,410 | 269,327,283 | 272,026,795 | 747,206,870 | 65,838,010 |
| Restricted deposits and other assets2 | 33 | 1,944,380,766 | 1,905,549,778 | 9,072,410 | 5,539,974 | 24,218,604 | - |
| | | **9,341,065,293** | **6,245,841,035** | **762,057,022** | **1,071,007,504** | **1,095,831,230** | **166,328,502** |
| | | | | | | | |
| Financial liabilities | | | | | | | |
| Deposits from banks | 34 | 136,053,409 | 127,022,101 | 4,105,140 | 4,926,168 | - | - |
| Deposits from customers | 35 | 7,410,834,190 | 7,213,944,537 | 65,076,876 | 119,916,336 | 11,773,746 | 122,695 |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | - | - | 220,220 | - | 589,122 |
| Other liabilities[3] | 37 | 417,433,890 | 262,181,685 | 101,763,270 | 25,195,421 | 22,293,514 | 6,000,000 |
| Other borrowed funds | 39 | 72,119,485 | 46,003,234 | 1,430,596 | 3,254,947 | 12,330,669 | 9,100,039 |
| | | **8,037,250,316** | **7,649,151,557** | **172,375,882** | **153,513,092** | **46,397,929** | **15,811,856** |
| | | **1,303,814,977** | **(1,403,310,522)** | **589,681,140** | **917,494,412** | **1,049,433,301** | **150,516,646** |

[1] Excludes equity securities.
[2] Excludes prepayments and Stocks
[3] Excludes deferred income, provison for restoration cost, provision for litigations & impairment on contingents

### Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

| **Company Dec–2024** In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 23 | 210,095,331 | 210,095,331 | - | - | - | - |
| Restricted deposits and other assets[2] | 33 | 250,238,501 | - | 250,238,501 | - | - | - |
| | | **460,333,832** | **210,095,331** | **250,238,501** | **-** | **-** | **-** |
| | | | | | | | |
| Financial liabilities | | | | | | | |
| Other liabilities[3] | 37 | 221,179,425 | - | - | 221,179,425 | - | - |
| | | **221,179,425** | **-** | **-** | **221,179,425** | **-** | **-** |
| | | **239,154,407** | **210,095,331** | **250,238,501** | **(221,179,425)** | **-** | **-** |

[1] Excludes equity securities.
[2] Excludes prepayments, Stocks
[3] Excludes deferred income, provision for litigations & impairment on contingents

### Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that the terms of the underlying financial assets or liabilities of the Parent can be varied, which in turn affects its liquidity risk exposure. The table below indicates the earliest time the Parent can vary the terms of the underlying financial asset or liabilities and analyses the Parent's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

| Company<br>Dec–2023<br>In thousands of Nigerian Naira | Note | Carrying amount | Less than 3 months[1] | 3 to 6 months | 6 to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | |
| Cash and bank balances | 23 | 60,169 | 60,169 | - | - | - | - |
| | | **60,169** | **60,169** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| Financial liabilities | | | | | | | |
| Other liabilities[3] | 38 | 16,483,941 | - | - | 16,483,941 | - | - |
| | | **16,483,941** | **-** | **-** | **16,483,941** | **-** | **-** |
| | | **(16,423,772)** | **60,169** | **-** | **(16,483,941)** | **-** | **-** |

[1] Excludes equity securities.
[2] Excludes prepayments, Stocks
[3] Excludes deferred income, provision for litigations & impairment on contingents

### (h) Settlement Risk

The Treasury Group activities with counterparties may give rise to settlement risk at the time of settlement of trade transactions. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations i.e. deliver cash, securities or other assets, as contractually agreed.

In order to ensure that these risks are mitigated and controlled, the Market & Liquidity Risk Management (MLRM) Group has put in place Settlement Limits. These limits are sought periodically using various criteria based on the counterparty's financial statement and some other non-financial parameters. The FX Settlement limits are approved at the Management Credit Committee meeting and / or Board level, depending on the limit of each counterparty.

### (i) Market Risk

Market risk is the risk of loss in On- or Off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices. Whilst the Group may be faced with myriads of market risks, the Market & Liquidity Risk Management Group ensures these risks are managed and controlled within the Group's acceptable parameters, while optimising returns on risk.

#### (i) Management of Market Risk

The Market & Liquidity Risk Management Group separates its market risk exposures into the trading and banking books. Due to the various macro-economic indices and unanticipated market happenings, it has become more imperative for the Group to engage in continuous but proactive monitoring of market risks inherent in both trading and non-trading activities.

The trading portfolio resides with the Treasury & Sales Division of the Group, and they maintain positions arising from market making and proprietary trading activities. With the exception of translation risk arising from the Group's net investment in foreign currency, the Market & Liquidity Risk Group monitors the foreign exchange position in the trading and banking books.

The overall authority of the Market & Liquidity Risk Management Group is vested in the Management Risk Committee.

#### (ii) Exposure to Market Risks – Trading Book

The principal tools used by Market & Liquidity Risk Management Group to measure and control market risk exposure within the Group's trading portfolios are the Open Position limits, Mark-to-Market Analysis, Value-at-Risk Analysis, Sensitivity Analysis and the Earning-at-Risk Analysis. Specific limits (regulatory and in-house) across the trading portfolios have been clearly defined, in line with the Group's overall risk appetite. These set limits shall prevent undue exposure in the event of abrupt market volatility. The MLRM group ensures that these limits and triggers are adhered to by the Treasury & Sales Group.

The Group traded in the following financial instruments in the course of the period;

1. Treasury Bills
2. Bonds
3. Foreign Currencies (Spot and Forwards)
4. Money Market Instruments

#### (iii) Exposure to Interest Rate Risk – Banking Book

The principal risk to which non-trading portfolios are exposed to, is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally using interest rate gaps. The Asset & Liability Management (ALM) Group is responsible for managing and monitoring mismatches between the Group's assets and liabilities. The Asset & Liability Management Committee (ALMAC) is responsible for ensuring compliance with these limits while the limits are independently verified by Market & Liquidity Risk Management group.

The Group makes use of limit monitoring, earnings-at-risk and gap analyses to measure and control the market risk exposures within its banking book.

The Group also performs regular stress tests on its banking and trading books. In performing this, the Group ensures there are quantitative criteria in building the scenarios. The Group determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the Group's liquidity.

During the period, the foreign exchange risk, interest rate risk and price risk, were the key risks the Group was exposed to. However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above.

### Value-at-Risk (VaR)

The Group applies VaR, a statistical risk measure, to estimate the maximum potential loss the Bank can incur on trading positions at a given confidence level under normal market condition. VaR is the Bank's primary market risk management measure for assets and liabilities classified as trading positions. However, the Bank does not only base its risk estimates on VaR models, it uses sensitivity, scenario analysis and stress testing to further complement it.

The Group uses the analytical variance-covariance method to estimate VaR, which takes cognizance of factor sensitivities of the trading portfolio, the volatilities and correlations of market risk factor. The model is employed across the Group and applies observable historical rates, yields and prices for the previous 12months to its current positions. It assumes that historical changes in market values are representative of the distribution of potential outcome in the immediate future. The Group's VaR is calculated assuming a one-day holding period and an expected tail loss methodology which approximates a 99% confidence level.

VaR statistics can be materially different across firms due to differences in portfolio composition, differences in VaR methodologies, and differences in model parameters. As a result, the Group believes VaR statistics can be used more effectively as indicators of trends in risk-taking within a firm, rather than as a basis for inferring differences in risk-taking across firms.

The Group trades on foreign currencies, Bonds and Treasury bills instruments, while its subsidiaries trade mainly in bills and bonds and an insignificant amount of foreign currencies. The resultant risk exposures are interest and foreign exchange risks.

The table below presents, risk by category, average VaR and end of period-end VaR as well as the high and low VaR for the period.

| **Group VaR by risk type** | | **Dec-2024** | | |
|---|---|---|---|---|
| **In thousands of Naira** | **Average** | **High** | **Low** | **At reporting date** |
| | | | | |
| Foreign exchange risk | 723,642 | 7,747,128 | 0 | 266,849 |
| Interest rate risk | 334,032 | 1,834,250 | 22,682 | 949,235 |
| **Total** | **1,057,674** | **9,581,378** | **22,682** | **1,216,084** |

| **Group VaR by risk type** | | **Dec-2023** | | |
|---|---|---|---|---|
| **In thousands of Naira** | **Average** | **High** | **Low** | **At reporting date** |
| | | | | |
| Foreign exchange risk | 5,565 | 50,043 | 0 | 0 |
| Interest rate risk | 1,048,933 | 12,341,831 | 14,099 | 100,952 |
| **Total** | **1,054,498** | **12,391,874** | **14,099** | **100,952** |

### (iv) Other market risks: Sensitivity analysis of non-trading portfolios to various scenarios

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios. Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by the Group and equity price risk is subject to regular monitoring by Group Management Risk committee but is not currently significant in relation to the overall results and financial position of the Group.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

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

At 31 December 2024, the group's interest rate risk arises principally from risk assets and borrowings i.e. (deposit liabilities and long-term borrowings). Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The Group therefore analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for assets and liabilities that represent the major interest-earning and bearing positions. Major assumptions underlying the sensitivity are as follows:

- 100 basis point changes in floating interest rate on assets held at amortized cost; assets accounted at fair value through profit or loss as well as other comprehensive income (Dec 2023 – 100 basis points) with all other variables held constant, resulted in the impact on profit or loss as set out in the table on page 186.

- 100 basis point changes in floating interest rate for Borrowed funds, financial liabilities held for trading, Term deposits; 30 basis point changes for Savings deposits; and 15 basis point changes for Current deposits.

In arriving at the basis points used for the sensitivity analysis of interest rates and their impacts on the Group's major assets and liabilities, the followings were considered:

- The range of the prime lending rate on loans and advances has been maintained within 100-basis point during the reporting period.

- A 100-basis point proportional change in the cost of fund was also assumed because costs of funds seldom vary beyond 100-basis point.

**Group**

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| | | | | |
| **Decrease** | **(85,470,417)** | **(75,828,317)** | **(43,219,508)** | **(33,741,470)** |
| Asset | (108,913,681) | (96,626,896) | (58,005,083) | (45,284,568) |
| Liabilities | 23,443,264 | 20,798,580 | 14,785,576 | 11,543,099 |
| | | | | |
| **Increase** | **85,470,417** | **75,828,317** | **43,219,508** | **33,741,470** |
| Asset | 108,913,681 | 96,626,896 | 58,005,083 | 45,284,568 |
| Liabilities | (23,443,264) | (20,798,580) | (14,785,576) | (11,543,099) |

Parent

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| | | | | |
| **Decrease** | **(57,812,965)** | **(53,766,057)** | **(28,324,119)** | **(22,551,664)** |
| Asset | (74,027,623) | (68,845,689) | (39,692,477) | (31,603,150) |
| Liabilities | 16,214,658 | 15,079,632 | 11,368,358 | 9,051,487 |
| | | | | |
| **Increase** | **57,812,965** | **53,766,057** | **28,324,119** | **22,551,664** |
| Asset | 74,027,623 | 68,845,689 | 39,692,477 | 31,603,150 |
| Liabilities | (16,214,658) | (15,079,632) | (11,368,358) | (9,051,487) |

The aggregated figures presented above are further segregated into their various components as shown in the following tables:

**Components of Statement of financial position Interest Rate sensitivity (Fair Value and Cash Flow Interest Rate Risk)**

Group

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| | | | | |
| **Decrease** | | | | |
| **Assets** | | | | |
| Cash and bank balances | (33,421,642) | (29,651,275) | (9,426,895) | (7,359,577) |
| Loans and advances to banks | (1,443) | (1,280) | (1,610,844) | (1,257,586) |
| Loans and advances to customers | (37,403,110) | (33,183,586) | (22,978,852) | (17,939,590) |
| Financial assets held for trading | (471,077) | (417,934) | (1,071,038) | (836,159) |
| Investment securities | (36,509,673) | (32,390,939) | (22,060,645) | (17,222,746) |
| Assets pledged as collateral | (1,106,736) | (981,883) | (856,809) | (668,911) |
| | **(108,913,681)** | **(96,626,896)** | **(58,005,083)** | **(45,284,568)** |
| **Liabilities** | | | | |
| Deposits from banks | 63,336 | 56,191 | 66,016 | 51,539 |
| Deposits from customers | 20,211,709 | 17,931,583 | 13,545,935 | 10,575,311 |
| Financial liabilities held for trading | 63,250 | 56,115 | 112,822 | 88,080 |
| Debt Securities | - | - | - | - |
| Other borrowed funds | 3,104,969 | 2,754,691 | 1,060,803 | 828,169 |
| | **23,443,264** | **20,798,580** | **14,785,576** | **11,543,099** |
| **Total** | **(85,470,417)** | **(75,828,317)** | **(43,219,508)** | **(33,741,470)** |

| | | | | |
|---|---|---|---|---|
| **Increase** | | | | |
| **Assets** | | | | |
| Cash and bank balances | 33,421,642 | 29,651,275 | 9,426,895 | 7,359,577 |
| Loans and advances to banks | 1,443 | 1,280 | 1,610,844 | 1,257,586 |
| Loans and advances to customers | 37,403,110 | 33,183,586 | 22,978,852 | 17,939,590 |
| Financial assets held for trading | 471,077 | 417,934 | 1,071,038 | 836,159 |
| Investment securities | 36,509,673 | 32,390,939 | 22,060,645 | 17,222,746 |
| Assets pledged as collateral | 1,106,736 | 981,883 | 856,809 | 668,911 |
| | **108,913,681** | **96,626,896** | **58,005,083** | **45,284,568** |
| **Liabilities** | | | | |
| Deposits from banks | (63,336) | (56,191) | (66,016) | (51,539) |
| Deposits from customers | (20,211,709) | (17,931,583) | (13,545,935) | (10,575,311) |
| Financial liabilities held for trading | (63,250) | (56,115) | (112,822) | (88,080) |
| Debt securities | - | - | - | - |
| Other borrowed funds | (3,104,969) | (2,754,691) | (1,060,803) | (828,169) |
| | **(23,443,264)** | **(20,798,580)** | **(14,785,576)** | **(11,543,099)** |
| **Total** | **85,470,417** | **75,828,317** | **43,219,508** | **33,741,470** |

Parent

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| | | | | |
| **Decrease** | | | | |
| **Assets** | | | | |
| Cash and bank balances | (23,052,108) | (21,438,460) | (8,568,308) | (6,822,087) |
| Loans and advances to Banks | (1,443) | (1,342) | (1,610,844) | (1,282,554) |
| Loans and advances to Customers | (31,431,658) | (29,231,442) | (18,516,829) | (14,743,100) |
| Financial assets held for trading | (305,363) | (283,988) | (1,024,539) | (815,738) |
| Investment securities | (18,425,829) | (17,136,021) | (9,246,665) | (7,362,195) |
| Assets pledged as collateral | (811,222) | (754,437) | (725,292) | (577,477) |
| | **(74,027,623)** | **(68,845,689)** | **(39,692,477)** | **(31,603,150)** |
| **Liabilities** | | | | |
| Deposits from banks | 6,456 | 6,004 | 1,828 | 1,455 |
| Deposits from customers | 13,042,239 | 12,129,282 | 10,202,307 | 8,123,077 |
| Financial liabilities held for trading | 63,250 | 58,823 | 112,822 | 89,829 |
| Other borrowed funds | 3,102,713 | 2,885,523 | 1,051,402 | 837,126 |
| | **16,214,658** | **15,079,632** | **11,368,358** | **9,051,487** |
| **Total** | **(57,812,965)** | **(53,766,057)** | **(28,324,119)** | **(22,551,664)** |

| | | | | |
|---|---|---|---|---|
| **Increase** | | | | |
| **Assets** | | | | |
| Cash and bank balances | 23,052,108 | 21,438,460 | 8,568,308 | 6,822,087 |
| Loans and advances to Banks | 1,443 | 1,342 | 1,610,844 | 1,282,554 |
| Loans and advances to Customers | 31,431,658 | 29,231,442 | 18,516,829 | 14,743,100 |
| Financial assets held for trading | 305,363 | 283,988 | 1,024,539 | 815,738 |
| Investment securities | 18,425,829 | 17,136,021 | 9,246,665 | 7,362,195 |
| Assets pledged as collateral | 811,222 | 754,437 | 725,292 | 577,477 |
| | **74,027,623** | **68,845,689** | **39,692,477** | **31,603,150** |
| Liabilities | | | | |
| Deposits from banks | (6,456) | (6,004) | (1,828) | (1,455) |
| Deposits from customers | (13,042,239) | (12,129,282) | (10,202,307) | (8,123,077) |
| Financial liabilities held for trading | (63,250) | (58,823) | (112,822) | (89,829) |
| Other borrowed funds | (3,102,713) | (2,885,523) | (1,051,402) | (837,126) |
| | **(16,214,658)** | **(15,079,632)** | **(11,368,358)** | **(9,051,487)** |
| **Total** | **57,812,965** | **53,766,057** | **28,324,119** | **22,551,664** |

As for Cash flow interest rate risk, this risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 31 December 2024, if interest rates on borrowed funds at amortised cost increased or reduced by 100 basis points with all other variables held constant, the effect on cash flow would have been as set out below:

**Group**

| **In thousands of Naira** | **Dec-24 Pre-tax** | **Dec-24 Post-tax** | **Dec-23 Pre-tax** | **Dec-23 Post-tax** |
|---|---|---|---|---|
| | | | | |
| Decrease | 3,103,483 | 2,753,373 | 779,722 | 689,119 |
| Increase | (3,103,483) | (2,753,373) | (779,722) | (689,119) |

**Parent**

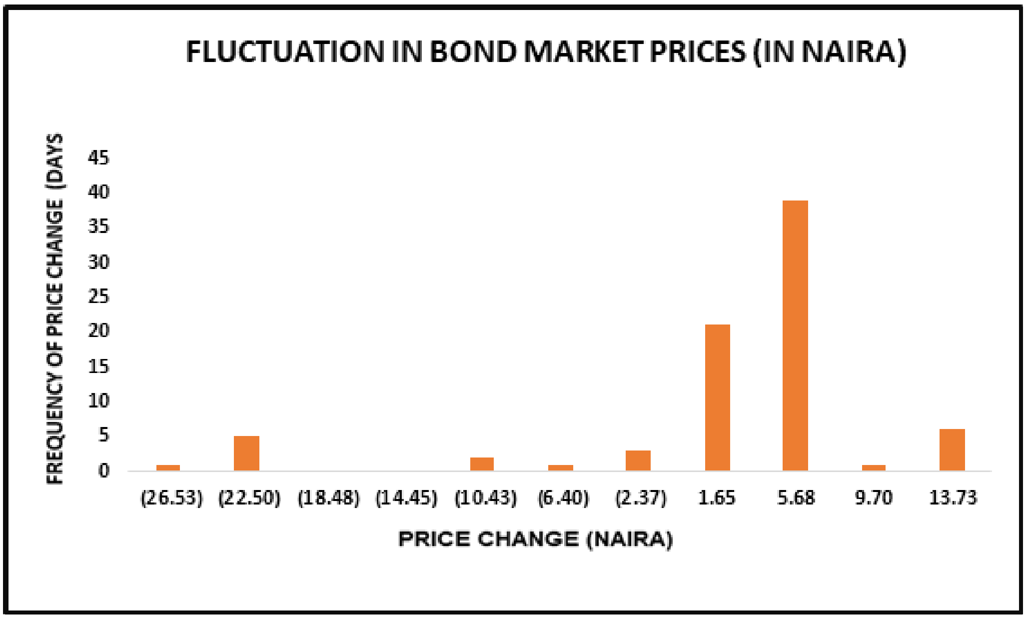
| **In thousands of Naira** | **Dec-24 Pre-tax** | **Dec-24 Post-tax** | **Dec-23 Pre-tax** | **Dec-23 Post-tax** |
|---|---|---|---|---|
| | | | | |
| Decrease | 3,103,483 | 2,886,240 | 770,321 | 711,546 |
| Increase | (3,103,483) | (2,886,240) | (770,321) | (711,546) |

1. Financial Instrument held as Fair Value through Other Comprehensive Income

   The Group recognized fair value changes for FVOCI Bonds, Bills and Equities as at 31 December 2024 and the comparative period in 2023. The Group carried out the following in determining sensitivity of its other comprehensive income to fluctuations in market prices of the financial assets:

   Bonds to be Fair Valued through Other Comprehensive Income

- Daily bond prices were obtained and trended for the different series of Bonds in issue as at the reporting date.
- A reasonably possible change of (+13.73/-26.53) Naira was determined based on the distribution of one-year daily change in market prices. The results were that fluctuations were in the range of (+13.73/-26.53) Naira.
- The chosen reasonable change in market prices was then applied to the Bank's holding of bonds designated as FVOCI as at end of the year.




The result of the price sensitivity i.e. impact on other comprehensive income as at 31 Dec 2024, when price of bonds designated as FVOCI increased or decreased by one Naira with all other variables held constant, would have been as set out in the tables below:

**Group**

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | (7,351,442) | (6,632,779) | (5,498,019) | (4,859,149) |
| Increase | 3,804,572 | 3,432,644 | 7,020,944 | 6,205,110 |

**Parent**

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | (2,955,037) | (2,761,056) | (5,211,657) | (4,814,008) |
| Increase | 1,529,313 | 1,428,922 | 6,655,262 | 6,147,466 |

**Treasury Bills to be Fair Valued through Other Comprehensive Income OCI**

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in market prices of treasury bills:

- Daily market discount rates were obtained and trended for the different maturities of treasury bills in issue as at the reporting date.
- A reasonably possible change of (+7.66/-4.53) was determined based on the distribution of one year daily change in discount rates on treasury bills. A large proportion of changes in discount rates falls in the range of (+7.66/-4.53).
- The chosen reasonable change in market discount rates was then applied to the Bank's holding of Fair value through other comprehensive income treasury bills at end of the year.

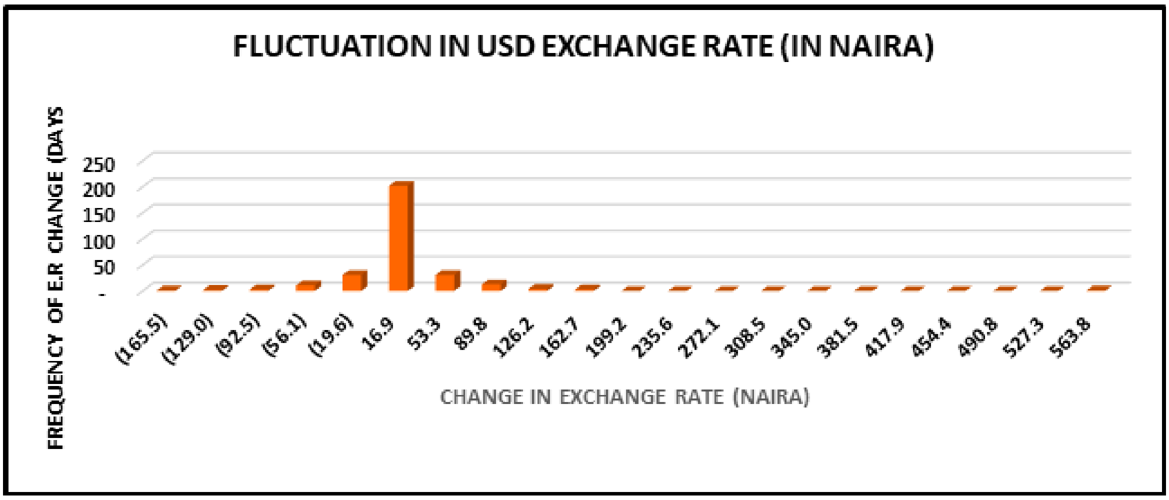
**(iv) Exposure to foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar, UK pound and Euro. Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans and securities, future cash flows in foreign currencies arising from foreign exchange transactions, foreign currency denominated debt amongst others. The value of these instruments fluctuates with changes in the level or volatility of currency exchange rates or foreign interest rates. The Group deploys foreign derivative instruments whose values hedges currency debts to foreign currency loans and advances to eliminate exchange exposures on such borrowings.

**Foreign exchange profit or loss (Dollars)**

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of dollars:

- Daily dollar exchange rates were obtained for one year and trended
- A reasonably possible change of -165.45/563.69 (Dec 2023 – 216.91/237.52) was determined based on the distribution of 12-month daily change in exchange rates.
- The change in exchange rates was then applied to the bank's dollar position at the end of the period




As at 31 December 2024, if Naira had strengthened/weakened by -165.45/563.69 against the Dollar with all other variables held constant, the pre-tax and post-tax profit for the ended period would have (decreased)/increased as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 14,564,598 | 12,921,535 | (94,205,834) | (80,082,224) |
| Increase | (49,621,748) | (44,023,813) | 103,157,073 | 87,691,468 |

Parent

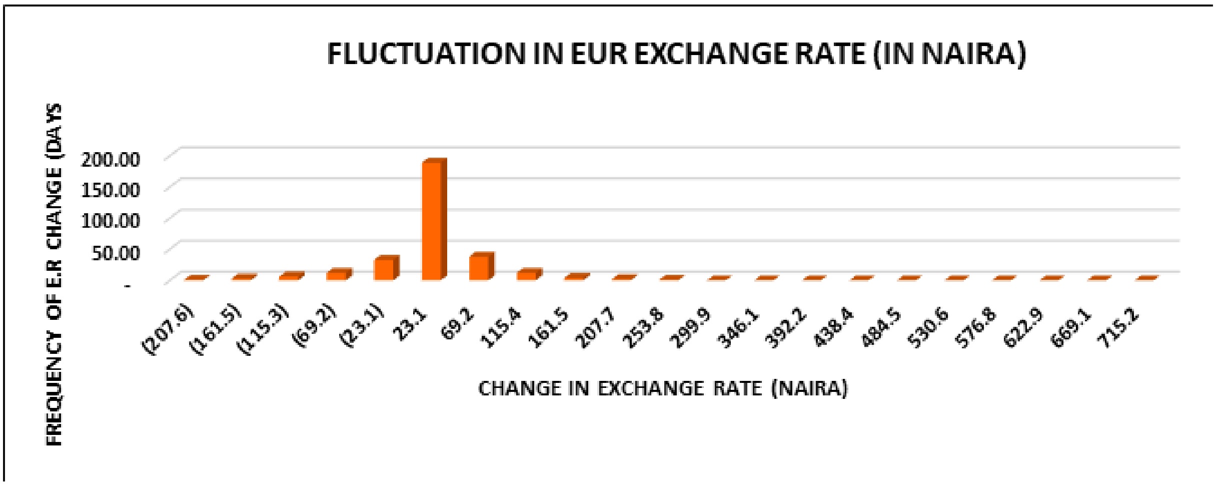
| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 14,570,330 | 13,550,407 | (94,197,385) | (82,983,703) |
| Increase | (49,641,277) | (46,166,388) | 103,147,821 | 90,868,638 |

**Foreign exchange profit or loss (Pounds)**

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of pounds:

- Daily pound exchange rates were obtained and trended

- A reasonably possible change of -207.61/715.27 (Dec 2023: -270.80/309.15) was determined based on the distribution of 12-month daily change in exchange rates.
- The chosen reasonable change in exchange rates was then applied to the bank's position as at end of the period.




As at 31 December 2024, if Naira had strengthened/weakened by -207.61/715.27 against the Pounds with all other variables held constant the pre-tax and post-tax profit for the ended period would have (decreased)/increased as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 46,350 | 41,121 | (4,569,797) | (3,884,680) |
| Increase | (159,685) | (141,671) | 5,216,979 | 4,434,834 |

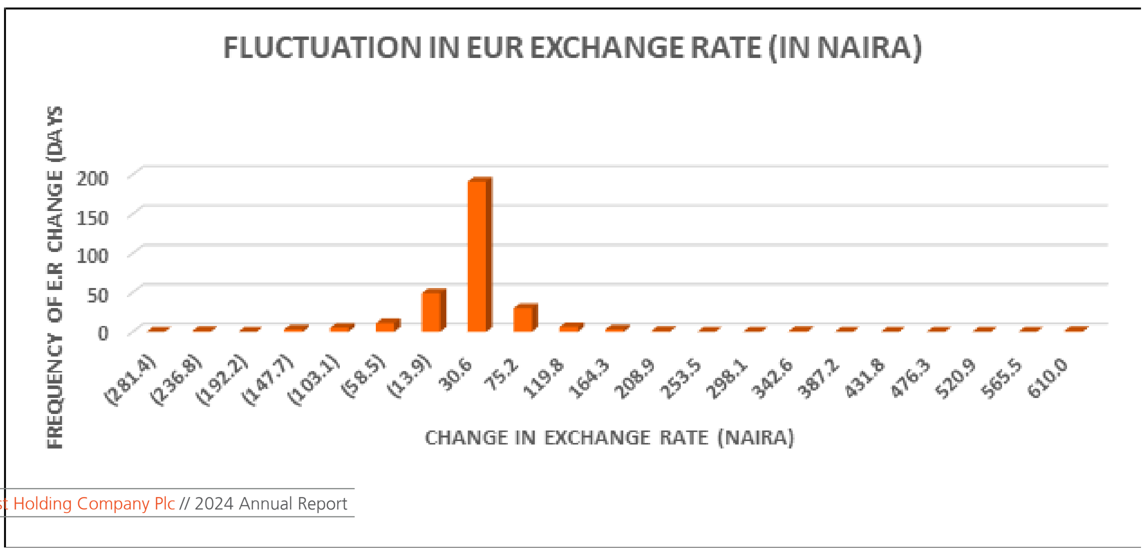
Parent

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 53,605 | 49,852 | (4,560,256) | (4,017,382) |
| Increase | (184,678) | (171,751) | 5,206,086 | 4,586,330 |

**Foreign exchange profit or loss (Euros)**

The Group carried out the following in determining sensitivity of the Group's profit to fluctuations in exchange rate of Euro:

- Daily Euro exchange rates were obtained and trended.
- A reasonably possible change of -281.36/609.97 (Dec 2023 -235.12/265.26) was determined based on the distribution of 12-month daily change in exchange rates.
- The chosen reasonable change in exchange rates was then applied to the bank's position as at the end of the period.



As at 31 December 2024, if Naira had strengthened/weakened by -281.36/609.97 against the Euro with all other variables held constant, the pre-tax and post-tax profit for the ended period would have (decreased)/increased as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

Group

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 53,066 | 47,080 | (2,113,249) | (1,796,424) |
| Increase | (115,045) | (102,067) | 2,384,143 | 2,026,705 |

Parent

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 51,027 | 47,455 | (2,112,844) | (1,861,321) |
| Increase | (110,625) | (102,881) | 2,383,685 | 2,099,921 |

**Foreign Exchange Profit or Loss (Other Currencies)**

As at 31 December 2024, if Naira had strengthened/weakened by -240.94/270.64 (Dec 2023: -240.94/270.64) against the other currencies with all other variables held constant the pre-tax and post-tax profit for the period, the impact of possible fluctuations in exchange rates on the overall foreign exchange revaluation profit of the bank is as shown below:

Group

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | (32,168) | (28,539) | (19,564,874) | (16,631,652) |
| Increase | 92,850 | 82,376 | 21,976,576 | 18,681,785 |

Parent

| In thousands of Naira | Dec-24 Pre-tax | Dec-24 Post-tax | Dec-23 Pre-tax | Dec-23 Post-tax |
|---|---|---|---|---|
| Decrease | 15,374 | 14,298 | (19,565,929) | (17,236,713) |
| Increase | (44,375) | (41,269) | 21,977,762 | 19,361,430 |

**(ix) Sensitivity analysis of derivative valuation**

The fair value of foreign exchange contracts varies largely due to changes in foreign currency exchange rates. For the purpose of assessing specific risks, the Bank carried out a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of the Bank's derivative financial instruments and results of operations. To perform the sensitivity analysis, daily U.S. Dollar exchange rates were obtained from the Investors & Exporters FX Window (I & E FX Window) and trended with all other variables kept constant. A proportional foreign exchange rate movement of ±₦0.5 (Dec-2023: ±₦0.5) depreciation of the Nigerian Naira and ±₦0.5 (Dec-2023: ±₦0.5) appreciation of the Nigerian Naira against the U.S. Dollar have been considered to be reasonably possible based on the distribution of one-year daily change in exchange rates of the U.S. Dollar.

The following table summarizes our derivatives financial instruments as at 31st December 2024 and analyzes the sensitivity of their fair values to an immediate change in foreign currency rates. Fair values represent the present value of forecasted future cash flows at market foreign currency exchange rates. A favourable change indicates a weakening of the Nigerian Naira against the U.S. Dollar and an unfavourable change indicates a strengthening of the Nigerian Naira against the U.S. Dollar. The selection of ± ₦0.5 (Dec 2023: ±₦0.5) favourable or unfavourable change in foreign currency exchange rates should not be construed as a prediction by the Bank of future market events, but rather, to illustrate the potential impact of such an event. The modeling technique used to calculate the exposure does not take into account correlation among foreign currency exchange rates, or correlation among various markets such as the foreign exchange, equity and fixed-income markets. Actual experience may differ from the results in the table below due to the correlation assumptions utilized, or if events occur that were not included in the methodology, such as significant liquidity or mark et events.

The net impact of sensitivity for both favorable and unfavorable exchange rate of ±₦0.5 will be ₦95,204,428.98 and (₦95,204,428.98) respectively.

| Group<br>Dec-24<br>Total derivatives<br><br>In thousands of Nigerian Naira | Notional Contract Amount | Fair Value | Asset/ (Liability) | Favourable changes (Pre-tax)<br><br>Income Statement | Unfavourable changes (Pre-tax)<br><br>Income Statement | Favourable changes (Post-tax)<br><br>Income Statement | Unfavourable changes (Post-tax)<br><br>Income Statement |
|---|---|---|---|---|---|---|---|
| Derivative Assets | - | - | Asset | 95,204 | - | 78,201 | - |
| Derivative Liabilities | 307,000,000 | (10,759,624) | Liability | - | (95,204) | - | (78,201) |

| Dec-23<br>Total derivatives<br><br>In thousands of Nigerian Naira | Notional Contract Amount | Fair Value | Asset/ (Liability) | Favourable changes (Pre-tax)<br><br>Income Statement | Unfavourable changes (Pre-tax)<br><br>Income Statement | Favourable changes (Post-tax)<br><br>Income Statement | Unfavourable changes (Post-tax)<br><br>Income Statement |
|---|---|---|---|---|---|---|---|
| Derivative Assets | 329,280,930 | 28,961,143 | Asset | 34,416 | (34,416) | 29,849 | (29,849) |
| Derivative Liabilities | - | - | Liability | - | - | - | - |

### Sensitivity analysis on ECL Model

The following are the most significant assumption affecting the ECL allowance:

#### Corporate Portfolios

I. Crude Oil Prices, given the significant impact on the performance of companies in the oil and gas sector.
II. Exchange rate, given the significant impact on companies' ability to meet contractual payments denominated in foreign currency.
III. Inflation, given its significant impact on collateral valuations.
IV. GDP, given its impact on companies' performance and collateral valuations.
V. Interest rate, given its impact on the ability of companies to meet contractual cashflows on both local and foreign currency denominated obligations.

#### Retail Portfolios

I. Inflation, given its significant impact on purchasing power of individual borrowers and ultimately, the capacity to repay obligations.
II. Interest rate, given its impact on the ability of individual borrowers to meet contractual cashflows on both local and foreign currency denominated obligations.

In sensitising the variables above to determine their impact on Expected Credit Losses (ECL), the Group adjusted its Forward-Looking Information forecast as follows

- 100 basis points Increase / decrease in GDP growth rate over forecasted GDP growth rate.
- 300 basis points Decrease / Increase in inflation rate over Inflation rate forecast.
- 100 basis points Decrease / 100 basis points Increase in interest rate over Interest rate forecast
- Decrease / Increase in USD/NGN exchange rate by ₦200 over forecasted exchange rate.
- Increase / Decrease in Crude Oil Price by $10pbl over forecasted Crude Oil Price

Set out below are the changes to the ECL as at 31 December 2024 and 31 December 2023 that would result from the possible changes in these parameters from the actual assumptions used in the Group's economic variables assumption.

| **Group<br>Dec-2024<br>In thousands of Nigerian Naira** | **Improvement** | | **Worsening** | |
|---|---|---|---|---|
| | **Pre-Tax** | **Post Tax** | **Pre-Tax** | **Post Tax** |
| COMMERCIAL | (2,680,899) | (1,876,629) | 4,659,561 | 3,261,693 |
| CORPORATE | 4,350,433 | 3,045,303 | 21,538,157 | 15,076,710 |
| PUBLIC SECTOR | (572,973) | (401,081) | 266,749 | 186,724 |
| RETAIL | (4,135,602) | (2,894,921) | 2,851,717 | 1,996,202 |
| SME | (4,087,679) | (2,861,375) | 1,599,763 | 1,119,834 |
| | | | | |
| | **(7,126,720)** | **(4,988,704)** | **30,915,948** | **21,641,163** |

| **Group<br>Dec-2023<br>In thousands of Nigerian Naira** | **Improvement** | | **Worsening** | |
|---|---|---|---|---|
| | **Pre-Tax** | **Post Tax** | **Pre-Tax** | **Post Tax** |
| COMMERCIAL | (2,124,370) | (1,487,059) | 7,961,657 | 5,573,160 |
| CORPORATE | (24,485,684) | (17,139,979) | (3,907,484) | (2,735,239) |
| PUBLIC SECTOR | (800,383) | (560,268) | 10,951,174 | 7,665,822 |
| RETAIL | (5,658,232) | (3,960,762) | 37,584,494 | 26,309,145 |
| SME | (1,846,035) | (1,292,225) | 11,882,831 | 8,317,982 |
| | | | | |
| | **(34,914,705)** | **(24,440,293)** | **64,472,672** | **45,130,870** |

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

| **Group**<br>**Dec-2024**<br>**Financial instruments by currency**<br><br>**In thousands of Nigerian Naira** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Total** | **Naira** | **USD** | **GBP** | **Euro** | **Others** |
| | **Note** | | | | | | |
| Cash and bank balances | 22 | 4,673,048,120 | 332,694,580 | 3,543,670,519 | 223,159,909 | 149,006,929 | 424,516,183 |
| | 23 | 59,602,997 | 36,820,157 | 6,211,395 | - | - | 16,571,445 |
| Derivative financial assets | 24 | - | - | - | - | - | - |
| Investment securities: | – | | | | | | |
| – Fair Value through other comprehensive Income | 25 | 2,492,242,832 | 1,630,530,761 | 496,140,443 | 53,325,766 | 15,813,356 | 296,432,506 |
| – Held at amortised cost | 25 | 1,647,724,053 | 136,871,038 | 358,530,346 | | - | 1,152,322,669 |
| Assets pledged as collateral | 26 | 114,570,075 | 85,018,714 | - | - | - | 29,551,361 |
| Loans and advances to banks | 27 | 87,794 | 87,794 | - | - | - | - |
| Loans and advances to customers | 28 | 2,785,664,040 | 1,147,635,396 | 1,086,678,152 | 121,450,297 | 6,046,485 | 423,853,710 |
| Restricted deposits and other assets[1] | 33 | 2,398,662,985 | 2,030,622,155 | 257,690,589 | 496,811 | 16,818,281 | 93,035,149 |
| | | **14,171,602,896** | **5,400,280,595** | **5,748,921,444** | **398,432,783** | **187,685,051** | **2,436,283,023** |
| | | | | | | | |
| Deposits from banks | 34 | 388,420,244 | 7,169,206 | 223,094,089 | 13,715,605 | 30,400,208 | 114,041,136 |
| Deposits from customers | 35 | 10,013,021,406 | 3,938,645,578 | 3,908,745,015 | 276,440,783 | 137,537,213 | 1,751,652,817 |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | 51,174,468 | - | - | - | - |
| Derivative financial liabilities | 24 | 10,759,624 | - | 10,759,624 | - | - | - |
| Other liabilities[2] | 37 | 927,420,257 | 450,797,113 | 325,631,445 | 29,002,189 | 509,247 | 121,480,263 |
| Other borrowed funds | 39 | 310,021,046 | 309,795,457 | - | - | - | 225,589 |
| | | **11,700,817,045** | **4,757,581,822** | **4,468,230,173** | **319,158,577** | **168,446,668** | **1,987,399,805** |
| **Financial Instrument Gap** | | **2,470,785,851** | **642,698,773** | **1,280,691,271** | **79,274,206** | **19,238,383** | **448,883,218** |

[1] Excludes prepayments and Stocks

[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

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

**Group**
**Dec-2023**
**Financial instruments by currency**

**In thousands of Nigerian Naira**

| | Note | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|---|
| Cash and bank balances | 22 | 2,309,618,698 | 117,315,006 | 1,722,532,568 | 167,160,664 | 116,595,091 | 186,015,369 |
| | 23 | 28,066,613 | 19,793,864 | 3,622,871 | - | - | 4,649,878 |
| Derivative financial assets | 24 | 28,961,143 | 28,961,143 | - | - | - | - |
| Investment securities: | - | | | | | | |
| – Fair value through profit or loss | 25 | - | - | - | - | - | - |
| – Fair Value through other comprehensive Income | 25 | 891,917,591 | 531,255,946 | 192,895,379 | | - | 135,652,641 |
| – Held at amortised cost | 25 | 1,571,317,478 | 584,421,792 | 296,375,303 | - | - | 690,520,383 |
| Assets pledged as collateral | 26 | 86,552,701 | 73,400,983 | - | - | - | 13,151,718 |
| Loans and advances to banks | 27 | 66,935 | 66,904 | 31 | - | - | - |
| Loans and advances to customers | 28 | 2,480,183,368 | 1,098,705,445 | 1,054,686,650 | 67,119,541 | 2,743,195 | 256,928,537 |
| Restricted deposits and other assets[1] | 33 | 1,944,380,766 | 1,830,725,505 | 66,961,863 | 19,605 | 7,490,043 | 39,183,750 |
| | | **9,341,065,293** | **4,284,646,588** | **3,337,074,665** | **266,413,435** | **126,828,329** | **1,326,102,276** |
| | | | | | | | |
| Deposits from banks | 34 | 136,053,409 | 7,645,080 | 55,657,267 | 6,143,367 | 16,523,031 | 50,084,664 |
| Deposits from customers | 35 | 7,410,834,190 | 3,877,896,009 | 2,290,811,906 | 176,176,266 | 89,567,289 | 976,382,720 |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | 809,342 | - | - | - | - |
| Derivative financial liabilities | 24 | - | - | - | - | - | - |
| Other liabilities[2] | 37 | 417,433,890 | 146,122,923 | 194,760,644 | 18,593,265 | 1,927,573 | 56,029,485 |
| Other borrowed funds | 39 | 72,119,485 | 71,702,605 | - | - | - | 416,880 |
| | | **8,037,250,316** | **4,104,175,959** | **2,541,229,817** | **200,912,898** | **108,017,893** | **1,082,913,749** |
| **Financial Instrument Gap** | | **1,303,814,977** | **180,470,629** | **795,844,848** | **65,500,537** | **18,810,436** | **243,188,527** |

[1] Excludes prepayments and Stocks
[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

**Company**
**Dec-24**
**Financial instruments by currency**

**In thousands of Nigerian Naira**

| | Note | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|---|
| Cash and bank balances | 23 | 210,095,331 | 210,095,331 | - | - | - | - |
| Restricted deposits and other assets[1] | 33 | 250,238,501 | 250,238,501 | - | - | - | - |
| | | **460,333,832** | **460,333,832** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| | | | | | | | |
| Other liabilities[2] | 37 | 221,179,425 | 221,179,425 | - | - | - | - |
| | | **221,179,425** | **221,179,425** | **-** | **-** | **-** | **-** |
| **Financial Instrument Gap** | | **239,154,407** | **239,154,407** | **-** | **-** | **-** | **-** |

[1] Excludes prepayments and Stocks
[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

**Company**
**Dec-23**
**Financial instruments by currency**

**In thousands of Nigerian Naira**

| | Note | Total | Naira | USD | GBP | Euro | Others |
|---|---|---|---|---|---|---|---|
| Cash and bank balances | 23 | 60,169 | 60,169 | - | - | - | - |
| | | **60,169** | **60,169** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| Other liabilities[2] | 38 | 16,483,941 | 16,483,941 | - | - | - | - |
| | | **16,483,941** | **16,483,941** | **-** | **-** | **-** | **-** |
| **Financial Instrument Gap** | | **(16,423,772)** | **(16,423,772)** | **-** | **-** | **-** | **-** |

[1] Excludes prepayments
[2] Excludes Deferred Income and impact of non-monetary items in Non-Financial Instruments (NFI)

The above table does not give representation of the On-Balance sheet gap of the Group in terms of currency (foreign and local currencies) because non-monetary items in NFI are not taken into consideration as it falls outside the IFRS 7 disclosure requirement. On the Asset side Property, Plant & Equipment, Intangible Assets and Prepayment are not included while on the Liability side, Deferred income, Tax payable and Deferred tax and Positions have also been excluded.

## 5. Capital management and other risks

(a) Regulatory capital

Guaranty Trust Holding Company manages its capital base to achieve a prudent balance between maintaining capital ratios needed to support business growth across its Group Entities and providing competitive returns to its shareholders.

The Company's objectives when managing capital are geared towards: i) ensuring compliance with the capital requirements set by the regulators (i.e. Central Bank of Nigeria and the respective host countries where it has presence (ii) safeguarding the Group's ability to continue as a going concern and (iii) maintaining a sufficient capital base robust enough to cover all identified risks without breaching the regulatory capital requirement specified for the Company and its Banking and non-Banking Entities.

**The regulatory capital requirement for the Holding company according to the CBN issued guideline for licensing and regulation of Financial Holding Companies in Nigeria and its compliance are as shown in the Table below:**

| Name of Entity | Paid-Up Capital (₦) | Holdco Interest (%) | Equity/Equity Reserves (₦) |
|---|---|---|---|
| | | | |
| Guaranty Trust Bank Limited | 17,069,475,000 | 100% | 17,069,475,000 |
| Guaranty Trust Pension Managers Limited | 5,625,000,000 | 100% | 5,625,000,000 |
| Guaranty Trust Fund Managers Limited | 250,000,000 | 100% | 250,000,000 |
| Habari Pay | 3,000,000,000 | 100% | 3,000,000,000 |
| **Total minimum paid up Capital of all Subsidiaries** | **25,944,475,000** | | **25,944,475,000** |
| **Guaranty Trust Holding Company (Share Capital and Reserves)** | | | **346,298,636,000** |
| **Surplus /(Deficit)** | | | **320,354,161,000** |

*The current Capital position Guaranty Trust Holding Company Plc exceeded the sum of the minimum paid up capital of all its Subsidiaries.

### Background

The Central Bank of Nigeria (CBN) on 29th August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at 31 December 2024 shows that Guaranty Trust Holding Company complies with paragraphs 7.1 and 7.3 of the regulation, which stipulates that a financial holding company should maintain a minimum paid up capital which equals/exceeds the aggregate of the minimum paid up capital of all its subsidiaries as indicated in the above Table.

### (b) Capital Adequacy Position in line with Basel II Accord

The International Convergence of Capital Measurement and Capital Standards: A Revised Framework, popularly known as the Basel II Framework was introduced in 2004 as a new set of international standards and best practices that define the minimum capital requirements for internationally active banks. The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence.

Basel II is a three-pronged approach relying on three Pillars -Minimum Capital Requirements (Pillar 1), Supervisory Review Process (Pillar 2) and Market Discipline (Pillar 3).

Pillar 1 Minimum Capital Requirements: It prescribes the capital allocation methodology against the core traditional credit, market and operational risks to ensure these are adequately measured and that banks have adequate capital to mitigate these risks.
Pillar 2 Supervisory Review: It requires banks to establish a risk management framework to identify, assess and manage major risks inherent in the institution and allocate adequate capital against those risks. It emphasizes that supervisors should be able to evaluate the soundness of these assessments.

Pillar 3 Market Discipline: It sets out to encourage market discipline by requiring a number of disclosure requirements in respect of a bank's risk exposures, risk assessment process and capital adequacy.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. Although the computations are consistent with the requirements of Pillar 1 Basel II Accord, certain sections have been adjusted to reflect the peculiarities of the Nigerian environment. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for Credit Risk and Market Risk while capital charge for Operational Risk was determined using the Basic Indicator Approach (BIA).

Pillar 1 focuses mainly on CAR, also known as Capital to Risk (Weighted) Assets Ratio (CRAR). This is the ratio of a bank's capital to its risk. CBN requires the minimum requirement of 10% or 15% of Capital to risk weighted assets be maintained by Nigerian banks or banking groups with regional/national license and international banking license respectively.

**CAR is measured as:**

$$\frac{\text{Total Capital}}{\text{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, and other reserves excluding regulatory reserves. Intangible assets and investments in subsidiaries were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises Fair Value Reserves.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

**Period under review**

A fundamental part of the Group's overall business strategy is its sound capital management practices. It adopts a capital planning process that ensures that regulatory capital remains within approved ranges or above target levels across economic and business cycles. The Group is appropriately capitalized under normal and severe scenarios as well as a range of stress events. Stress-testing models are used to gauge vulnerability of the Group to exceptional yet possible events. The result of stress-testing reveals the minimum capital requirements of the Group in the event that unforeseen negative events crystallize. The critical objective underpinning the stress-testing exercise is to identify as early as possible, any shortfall in capital requirements of the Group and take corrective actions which may be direct or indirect.

The Group throughout the review period, operated above its targeted capitalization range and well over the CBN-mandated regulatory minimum of 16% for Domestic Systemically Important. As at December 31, 2024, the Group's capital adequacy ratio was 39.31% (December 31, 2023- 21.94%).

The following table shows the composition of regulatory capital and risk weighted assets for the Group:

## Capital adequacy ratio

| In thousands of Nigerian Naira | Holdco Group<br>Full Impact<br>Dec-2024 | Full Impact<br>Dec-2023 |
|---|---|---|
| | | |
| **Tier 1 capital** | | |
| Share capital | 14,715,590 | 14,715,590 |
| Share premium | 123,471,114 | 123,471,114 |
| Retained profits | 1,270,753,178 | 360,675,171 |
| Equity Reserve | 8,875,000 | 8,875,000 |
| Statutory Reserve | 617,515,476 | 449,015,020 |
| SMEEIS and AGSMEIS Reserves | 59,224,218 | 53,410,653 |
| IFRS 9 Transitional Adjustment | - | - |
| RRR applied for IFRS 9 Impact | - | - |
| Non-Controlling Interest | 50,611,947 | 24,206,723 |
| **Tier 1 Sub-Total** | **2,145,166,523** | **1,034,369,271** |
| Less Regulatory deductions : | | |
| Other intangible assets | (61,950,998) | (11,127,743) |
| Goodwill | (19,293,116) | (19,153,538) |
| Deferred Tax | (28,876,962) | (12,165,129) |
| Treasury Shares | (11,289,600) | (8,125,998) |
| Under Impairment | - | - |
| Excess exposure(s) over single obligor without CBN approval | - | - |
| 100% of investments in unconsolidated Banking and financial subsidiary/associate companies | - | - |
| Unsecured Lending to subsidiaries within the same Group | - | - |
| **Net Total Tier 1 Capital (A)** | **2,023,755,847** | **983,796,863** |
| **Tier 2 capital** | | |
| Foreign Exchange Adjustments | 182,424,542 | 61,690,961 |
| Fair Value Reserves | 5,949,611 | 18,520,363 |
| **Net Total Tier 2 Capital (B)** | **188,374,153** | **80,211,324** |
| **Total Qualifying Capital (C= A+B)** | **2,212,130,000** | **1,064,008,187** |
| | | |
| **Composition of Risk-Weighted Assets** | | |
| | | |
| Credit Risk | 4,765,564,540 | 3,981,737,184 |
| Operational Risk | 838,213,293 | 837,713,353 |
| Market Risk | 23,955,586 | 29,693,869 |
| **Aggregate** | **5,627,733,419** | **4,849,144,406** |
| | | |
| **Total Risk-Weighted Capital Ratio** | **39.31%** | **21.94%** |
| **Tier 1 Risk-Based Capital Ratio** | **35.96%** | **20.29%** |

### (c) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Group Enterprise Risk Management Division, and is subject to review by the Group Credit Committee or ALMAC as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Consideration is also given to synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

## 6. Use of estimates and judgments

These disclosures supplement the commentary on financial risk management (see note 4).

### (a) Key sources of estimation uncertainty

**Measurement of the expected credit losses**

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, in the application of forward-looking information, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is as described in accounting policy 3b (j)(v).

**Determining fair values**

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3b (j)(vii). 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.

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

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

**Financial asset and liability classification**

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

1. In classifying financial assets as measured at amortised cost, the Group has determined that it meets the description of financial assets set out in accounting policy 3b(j)(ii)(a).
2. In designating financial assets as measured at FVOCI, the Group has determined that it has met the criteria for this designation set out in accounting policy 3b (j)(ii)(b).
3. In classifying financial assets as measured at FVTPL, the Group has determined that it meets the description of financial assets set out in accounting policy 3b(j)(ii)(c).
4. In accounting for financial liabilities as FVTPL, the Group has determined that it meets the description of financial liabilities set out in accounting policy 3b(j)(ii)(e).
5. In carrying financial liabilities at amortised cost, the Group has determined that it meets the description of financial liabilities set out in accounting policy 3b(j)(ii)(f).

**Depreciation and carrying value of property and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.
Determination of impairment of property and equipment, and intangible assets
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.
Translation of FX position during the year: This is referenced to the Investors & Exporters FX Window (I & E FX Window) rate quoted on FMDQ.
Defined benefits plan
The present value of the retirement benefit obligations

depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

**Impairment of Goodwill**

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy in note 3(q). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. Goodwill and Goodwill Impairment testing are shown in note 32(c) below.

**IFRIC 23 - Uncertain Tax Position**

The tax legislation in relation to the treatment of expected credit loss on stage 2 loans is unclear with respect to whether the stage 2 impairment should be treated as specific or collective in the assessment of deferred tax.

The Group has opted to treat these stage 2 expected credit loss balances as collective in the determination and computation of deferred taxes because they are assessed as having a less significant increase in credit risk and their computation was based on lifetime expected credit losses in accordance with IFRS 9.

This treatment does not give rise to any deductible temporary difference. If the Group had not treated the stage 2 impairment as being a collective provision within the context of deferred tax assessment, a deferred tax asset of N9.6bn would not have been recognised.

**Valuation of equity financial instruments**

The Group's accounting policy on fair value measurements is discussed under note 3b (j)(iid).

The Group measures fair values using the following hierarchy of methods.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

All fair values are on a recurring basis. The sensitivity of investments and derivatives to fluctuation in market prices and yields are disclosed in note 4(i) under market risk above.

| **Group**<br>**Dec-2024**<br>**In thousands of Nigerian Naira**<br>**Assets** | **Note** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|---|
| **Financial assets at fair value through profit or loss:** | | | | | |
| -Debt securities | 23 | 59,602,997 | - | - | 59,602,997 |
| Derivative financial assets | 24 | - | - | - | - |
| **Investment securities:** | | | | | |
| -Debt securities at FVOCI | 25 | 2,492,242,832 | - | - | 2,492,242,832 |
| -Equity securities at FVOCI | 25 | - | - | 2,159,386 | 2,159,386 |
| -Equity securities FVTPL | 25 | - | - | 5,508,086 | 5,508,086 |
| Assets pledged as collateral | 26 | 85,018,714 | 29,551,361 | - | 114,570,075 |
| **Total assets** | | **2,636,864,543** | **29,551,361** | **7,667,472** | **2,674,083,376** |
| **Liabilities** | | | | | |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | - | - | 51,174,468 |
| Derivative financial liabilities | 24 | - | 10,759,624 | - | 10,759,624 |
| **Total liabilities** | | **51,174,468** | **10,759,624** | **-** | **61,934,092** |

| **Group**<br>**Dec-2023**<br>**In thousands of Nigerian Naira**<br>**Assets** | **Note** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|---|
| Financial assets at fair value through profit or loss: | | | | | |
| -Debt securities | 23 | 28,066,613 | - | - | 28,066,613 |
| Derivative financial assets | 24 | - | - | 28,961,143 | 28,961,143 |
| **Investment securities:** | | | | | |
| -Debt securities at FVOCI | 25 | 889,918,578 | 1,999,013 | - | 891,917,591 |
| -Equity securities at FVOCI | 25 | - | - | 1,694,521 | 1,694,521 |
| -Investment securities - FVPL Notes | 25 | - | - | - | - |
| -Equity securities FVTPL | 25 | - | - | 3,947,850 | 3,947,850 |
| Assets pledged as collateral | 26 | 73,400,983 | 13,151,718 | - | 86,552,701 |
| **Total assets** | | **991,386,174** | **15,150,731** | **34,603,514** | **1,041,140,419** |
| **Liabilities** | | | | | |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | - | - | 809,342 |
| **Total liabilities** | | **809,342** | **-** | **-** | **809,342** |

**Reconciliation of Level 3 Items**

**-Investment Securities (unquoted equity securities)**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening balance | 5,642,371 | 5,570,263 | - | - |
| Effect of exchange rate fluctuations | 13,564 | 11,728 | - | - |
| Total unrealised gains or (losses) in Profit and Loss | 1,560,236 | 43,392 | - | - |
| Total unrealised gains or (losses) in OCI | 451,301 | 16,988 | - | - |
| | **7,667,472** | **5,642,371** | **-** | **-** |

**(e) Disclosure Requirement for Level 2 and 3 Financial Instruments**

**Valuation control framework**

The key elements of the control framework for the valuation of financial instruments include model validation, product implementation review and independent price verification. These functions are carried out by an appropriately skilled finance team, independent of the business area responsible for the products.

Model validation covers both qualitative and quantitative elements relating to new models. In respect of new products, model validation examines the explanatory power of the implemented model, actively monitoring model parameters and comparing in-house pricing to external sources.

Independent price verification procedures cover financial instruments carried at fair value. The frequency of the review is matched to the availability of independent data, monthly being the minimum. Valuation differences in breach of established thresholds are escalated to senior management. The results from independent pricing and valuation reserves are reviewed monthly by senior management.

**Valuation technique and Input used in Level 2 Fair Value Measurement**

Where there is limited trading activity in financial instruments, the Group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

The Group adopted discounted cash flow technique in determining the fair value of the derivative, using observable market data (Forward rate, discount rate etc.)

**Disclosure Requirements for Level 3 Financial Instruments**

**Valuation Technique:**

The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analyses changes in fair value measurements from period to period.

IFRS 13 - Fair Value Measurement outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the income approach.

The Discounted Cash flow (DCF) technique of the income approach was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the available financial information.

The Group adopted discounted cashflow technique in determining the fair value of the derivative, using observable market data (Forward rate, discount rate etc) and significant unobservable input (tenor of twelve years) for FY-2023

The significant unobservable input used in the fair value measurement of the Group's derivatives in FY-2023 is the tenor of twelve years. Significant change in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. A tenor of 6 years and 1 year would result in a N48.09bn and N126.01bn increase in the fair value. We have used 6 years and 1 year assumption to calculate as it represents the period that we deem to be reasonable.

**Description of Valuation Methodology and inputs:**

**Discounted Cash flow Technique (DCF)**

The fair value of the other unquoted equity securities was derived using the Discounted Cash Flow technique. The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: A five-year forecast of the Free Cash Flow to the Firm (FCFF) for each of the equity investments was made (see (a) below for the definition, explanation and derivation of FCFF).

Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC. (See (b) below for the definition, explanation and derivation of WACC).

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate (please see (c) below).

Step 4: The terminal value was discounted to present value using the company's WACC.

Step 5: The firm value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The equity value of the firm was obtained by deducting the value of the debt of the company from the firm value obtained in step (5) above (i.e. Firm value minus market value of debt = Equity value).

Step 7: The equity value per share was obtained by dividing the Equity value obtained in step (6) above by the number of shares outstanding in the company.

Step 8: The fair value of the group's investment in each of the relevant unquoted equity securities was derived by multiplying the number of the Groups' shares in the investee by the value per share obtained in step (7) above.

**a. Free Cash flow to the Firm (FCFF):**

A measure of financial performance that expresses the net amount of cash that is generated for the firm, consisting of expenses, taxes and changes in net working capital and investments. Free cash flow to the firm is the cash available to all investors, both equity and debt holders.

FCFF = NI + NCC + [Int x (1-tax rate)] – Changes in FCInv – Changes in WCInv
Where:
NI = Net Income
NCC = Non- Cash Charges
Int = Interest
T= tax rate
FCI = Fixed Capital Investment
WCI = Working Capital Investment

**b. Weighted average Cost of Capital (WACC):**

This is the average cost of both equity and debt capital used in financing a business.
WACC= {(D/D+E) x Kd(1-T)} + {(E/D+E) x Ke }
Where:
D = Value of Debt
E = Equity value
Ke = Cost of equity
Kd = Cost of debt
T = Tax rate

**c. Capitalization Rate= WACC – g**

Terminal value = (FCFF5 *(1+g))/ (WACC – g)
Where:
FCFF = Year5 FCFF
g = Growth rates
WACC = Weighted average Cost of Capital

**Valuation Assumptions – Discounted Cash flow**

1. The Bank applies Capital Asset Pricing Model in determining the cost of equities for its various unquoted equities which were fair valued at the reporting period.
2. The risk-free rate was determined using the yield on the 10-year Nigerian Government bond (for unquoted securities denominated in Naira) of 13.7% and the yield on the 10-year US Government bond (for unquoted securities denominated in US $) of 3.82%.
3. Market premium of 5.94% was adopted based on trend analysis and research of market premiums across the globe by Aswath Damodaran.
4. Beta = 1
5. Growth rate used is growth rate in earnings between the latest period and prior period.

| In thousands of Nigerian Naira | Group Dec 24 | Group Dec 23 |
|---|---|---|
| Balance, beginning of the year | 1,694,521 | 1,665,805 |
| Effect of exchange rate fluctuation | 13,564 | 11,729 |
| Unrealized gains or (losses) in OCI | 451,301 | 16,987 |
| **Balance, end of the year** | **2,159,386** | **1,694,521** |

The movement in equity securities fair value through profit and loss during the year is as follows:

| In thousands of Nigerian Naira | Group Dec 24 | Group Dec 23 |
|---|---|---|
| Balance, beginning of the year | 3,947,850 | 3,904,458 |
| Unrealised gains in Profit and Loss | 1,560,236 | 43,392 |
| | | |
| **Balance, end of the year** | **5,508,086** | **3,947,850** |

The Group is eligible to present net on the balance sheet, certain financial assets and liabilities according to criteria described in Note 3 on Offsetting Financial Instruments. For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

| **Group** | | | | | | |
|---|---|---|---|---|---|---|
| **Dec-2024**<br>**In thousands of Nigerian Naira** | **Gross amounts of Financial Assets/ liabilities** | **Gross amounts set off on the SOFP** | **Net amounts presented on the SOFP** | **Related amount not set off in the SOFP** | **Cash collateral** | **Net amount** |
| **Financial assets** | | | | | | |
| Cash and bank balances (a) | 22,704,316 | (62,277,625) | (39,573,309) | - | - | (39,573,309) |
| Other Assets (b) | 241,910,472 | - | 241,910,472 | - | 241,910,472 | - |
| | **264,614,788** | **(62,277,625)** | **202,337,163** | **-** | **241,910,472** | **(39,573,309)** |
| **Financial liabilities** | | | | | | |
| Other Liabilities (b) | 241,910,472 | - | 241,910,472 | 241,910,472 | - | - |
| | **241,910,472** | **-** | **241,910,472** | **241,910,472** | **-** | **-** |

| **Group** | | | | | | |
|---|---|---|---|---|---|---|
| **Dec-2023** | | | | | | |
| **In thousands of Nigerian Naira** | **Gross amounts of Financial Assets/ liabilities** | **Gross amounts set off on the SOFP** | **Net amounts presented on the SOFP** | **Related amount not set off in the SOFP** | **Cash collateral** | **Net amount** |
| **Financial assets** | | | | | | |
| Cash and bank balances (a) | 21,175,103 | (54,206,215) | (33,031,112) | - | - | (33,031,112) |
| Other Assets (b) | 61,921,974 | - | 61,921,974 | - | 61,921,974 | - |
| | **83,097,077** | **(54,206,215)** | **28,890,862** | **-** | **61,921,974** | **(33,031,112)** |
| **Financial liabilities** | | | | | | |
| Other Liabilities (b) | 61,921,974 | - | 61,921,974 | 61,921,974 | - | - |
| | **61,921,974** | **-** | **61,921,974** | **61,921,974** | **-** | **-** |

## 7. Operating segments

The Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer varied products and services and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Corporate banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products offered to very large corporate customers and blue chips.
- **Commercial banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size and fledgling corporate customers.
- **Business banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for mid-size commercial customers.
- **Retail banking** – Incorporates private banking services, private customer current accounts, savings deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- **SME banking** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for small and medium-size enterprises and ventures.
- **Public Sector** – Incorporates current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for Government Ministries, Departments and Agencies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

No single external customer accounts for 10% or more of the Group's revenue.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements, except that activities of Staff Investment Trust have not been consolidated in arriving at the operating profit, assets and liabilities of the operating segment (see note 30(b)). There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

## Operating segments (Continued)

Information about operating segments

| Group<br>Dec-2024<br>In thousands of Nigerian Naira | Corporate Banking | Retail Banking | Business Banking | Commercial Banking | SME Banking | Public Sector Banking | Total Continuing Operations | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | | |
| Derived from external customers | 1,377,169,905 | 458,257,106 | 25,815,564 | 135,438,578 | 115,442,028 | 36,158,556 | 2,148,281,736 | 2,148,281,736 |
| Derived from other business segments | (28,563,403) | 18,277,745 | 1,148,170 | 2,933,236 | 4,723,962 | 1,480,290 | - | - |
| **Total revenue** | **1,348,606,502** | **476,534,851** | **26,963,734** | **138,371,814** | **120,165,990** | **37,638,846** | **2,148,281,736** | **2,148,281,736** |
| Interest expenses | (231,877,728) | (35,160,068) | (1,193,491) | (4,856,913) | (6,199,358) | (3,927,933) | (283,215,490) | (283,215,490) |
| Fee and commission expenses | (16,814,242) | (7,045,735) | (1,013,695) | (3,233,861) | (3,136,605) | (275,658) | (31,519,796) | (31,519,796) |
| **Net operating income** | **1,099,914,532** | **434,329,048** | **24,756,548** | **130,281,040** | **110,830,027** | **33,435,255** | **1,833,546,450** | **1,833,546,450** |
| **Expense:** | | | | | | | | |
| Operating expenses | (122,625,402) | (121,796,048) | (11,515,918) | (36,142,831) | (44,176,511) | (8,736,665) | (344,993,375) | (344,993,375) |
| Net impairment loss on financial assets | (50,755,554) | (38,227,616) | (2,794,428) | (33,360,427) | (40,386,621) | 1,194,948 | (164,329,699) | (164,329,699) |
| Depreciation and amortisation | (15,491,365) | (21,750,416) | (3,159,844) | (7,365,051) | (9,029,361) | (1,236,788) | (58,032,825) | (58,032,825) |
| **Total cost** | **(188,872,321)** | **(181,774,080)** | **(17,470,190)** | **(76,868,309)** | **(93,592,493)** | **(8,778,505)** | **(567,355,899)** | **(567,355,899)** |
| **Profit before income tax from reportable segments** | **911,042,210** | **252,554,968** | **7,286,358** | **53,412,731** | **17,237,534** | **24,656,750** | **1,266,190,551** | **1,266,190,551** |
| Tax | (178,256,163) | (49,911,794) | (1,439,984) | (10,555,822) | (3,406,610) | (4,872,850) | (248,443,224) | (248,443,224) |
| **Profit after income tax from reportable segments** | **732,786,047** | **202,643,174** | **5,846,374** | **42,856,909** | **13,830,924** | **19,783,900** | **1,017,747,327** | **1,017,747,327** |
| | | | | | | | | |
| **Assets and liabilities:** | | | | | | | | |
| Total assets | 10,001,156,550 | 2,952,078,601 | 120,879,511 | 673,094,032 | 574,189,234 | 474,308,902 | 14,795,706,831 | 14,795,706,831 |
| Total liabilities | (3,750,381,159) | (5,666,478,580) | (310,860,554) | (853,329,606) | (1,323,015,913) | (165,860,148) | (12,069,925,959) | (12,069,925,959) |
| **Net assets/ (liabilities)** | **6,250,775,391** | **(2,714,399,979)** | **(189,981,043)** | **(180,235,574)** | **(748,826,679)** | **308,448,754** | **2,725,780,872** | **2,725,780,872** |
| | | | | | | | | |
| | | | | | | | | |
| Additions to Non-Current Assets | 49,051,316 | 69,648,634 | 10,118,372 | 23,584,181 | 28,913,591 | 3,960,412 | 185,276,506 | 185,276,506 |
| | | | | | | | | |
| **Assets:** | | | | | | | | |
| Loans and advances to banks | 87,794 | - | - | - | - | - | 87,794 | 87,794 |
| Loans and advances to customers | 2,428,508,797 | 199,584,746 | 1,421,377 | 83,677,526 | 29,278,867 | 43,192,727 | 2,785,664,040 | 2,785,664,040 |
| Others | 7,572,559,959 | 2,752,493,856 | 119,458,134 | 589,416,505 | 544,910,368 | 431,116,175 | 12,009,954,997 | 12,009,954,997 |
| | 10,001,156,550 | 2,952,078,602 | 120,879,511 | 673,094,031 | 574,189,235 | 474,308,902 | 14,795,706,831 | 14,795,706,831 |
| **Liabilities:** | | | | | | | | |
| Deposits from banks | 388,420,244 | - | - | - | - | - | 388,420,244 | 388,420,244 |
| Deposits from customers | 2,225,402,517 | 5,272,850,167 | 305,901,454 | 800,880,496 | 1,246,003,352 | 161,983,419 | 10,013,021,406 | 10,013,021,406 |
| Others | 1,136,558,397 | 393,628,414 | 4,959,100 | 52,449,110 | 77,012,562 | 3,876,729 | 1,668,484,309 | 1,668,484,309 |
| | **3,750,381,158** | **5,666,478,581** | **310,860,554** | **853,329,606** | **1,323,015,914** | **165,860,148** | **12,069,925,959** | **12,069,925,959** |

## Operating segments (Continued)

Information about operating segments

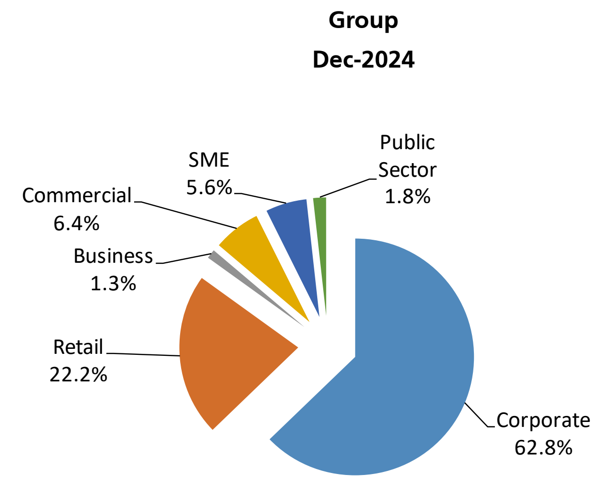
**Group**
**Dec-2023**

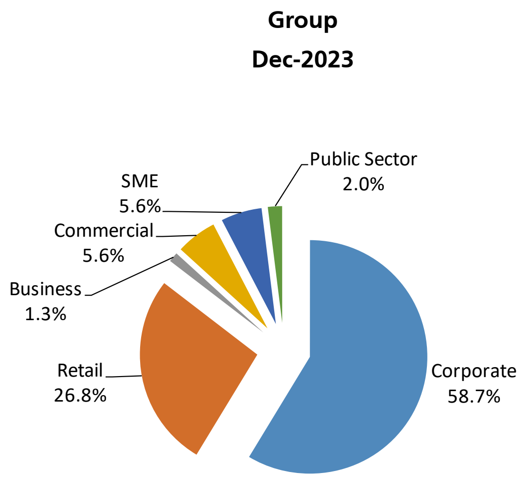
| In thousands of Nigerian Naira | Corporate Banking | Retail Banking | Business Banking | Commercial Banking | SME Banking | Public Sector Banking | Total Continuing Operations | Total |
|---|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | | |
| Derived from external customers | 720,562,564 | 302,074,385 | 14,833,826 | 64,410,457 | 62,632,267 | 21,460,371 | 1,185,973,868 | 1,185,973,868 |
| Derived from other business segments | (24,938,977) | 15,773,585 | 1,021,060 | 2,161,314 | 4,167,417 | 1,815,602 | - | - |
| **Total revenue** | **695,623,587** | **317,847,970** | **15,854,886** | **66,571,771** | **66,799,684** | **23,275,973** | **1,185,973,868** | **1,185,973,868** |
| Interest expenses | (81,890,108) | (18,791,745) | (876,162) | (4,643,851) | (3,670,288) | (4,186,390) | (114,058,543) | (114,058,543) |
| Fee and commission expenses | (6,303,152) | (4,119,892) | (575,104) | (1,799,231) | (1,783,707) | (152,679) | (14,733,765) | (14,733,765) |
| **Net operating income** | **607,430,327** | **294,936,333** | **14,403,620** | **60,128,689** | **61,345,689** | **18,936,904** | **1,057,181,560** | **1,057,181,560** |
| **Expense:** | | | | | | | | |
| Operating expenses | (64,737,061) | (80,406,305) | (7,602,803) | (23,544,658) | (29,088,947) | (5,943,799) | (211,323,573) | (211,323,573) |
| Net impairment loss on financial assets | (99,041,229) | (79,166,817) | (1,020,985) | (3,510,071) | (16,382,005) | 1,175,447 | (197,945,659) | (197,945,659) |
| Depreciation and amortisation | (9,336,061) | (15,316,196) | (2,091,747) | (4,916,774) | (6,593,024) | (841,642) | (39,095,443) | (39,095,443) |
| **Total cost** | **(173,114,351)** | **(174,889,318)** | **(10,715,535)** | **(31,971,503)** | **(52,063,976)** | **(5,609,994)** | **(448,364,675)** | **(448,364,675)** |
| | | | | | | | | |
| **Profit before income tax from reportable segments** | **434,315,976** | **120,047,015** | **3,688,085** | **28,157,186** | **9,281,713** | **13,326,910** | **608,816,885** | **608,816,885** |
| Tax | (50,225,062) | (13,365,879) | (410,627) | (3,134,985) | (1,033,414) | (1,483,801) | (69,653,768) | (69,653,768) |
| **Profit after income tax from reportable segments** | **384,090,914** | **106,681,136** | **3,277,458** | **25,022,201** | **8,248,299** | **11,843,109** | **539,163,117** | **539,163,117** |
| **Assets and liabilities:** | | | | | | | | |
| Total assets | 6,510,933,815 | 2,006,075,843 | 78,694,479 | 424,854,379 | 367,660,633 | 303,035,529 | 9,691,254,678 | 9,691,254,678 |
| Total liabilities | (2,182,938,380) | (3,914,668,327) | (211,139,791) | (554,466,474) | (903,205,033) | (438,306,729) | (8,204,724,733) | (8,204,724,733) |
| **Net assets/ (liabilities)** | **4,327,995,435** | **(1,908,592,484)** | **(132,445,312)** | **(129,612,095)** | **(535,544,400)** | **(135,271,200)** | **1,486,529,945** | **1,486,529,945** |
| | | | | | | | | |
| **Additions to Non-Current Assets** | **12,720,963** | **20,524,068** | **2,802,990** | **6,588,594** | **8,834,810** | **1,127,820** | **52,599,245** | **52,599,245** |
| | | | | | | | | |
| **Assets:** | | | | | | | | |
| Loans and advances to banks | 66,935 | - | - | - | - | - | 66,935 | 66,935 |
| Loans and advances to customers | 2,146,072,930 | 188,041,365 | 308,374 | 68,385,981 | 25,192,220 | 52,182,498 | 2,480,183,368 | 2,480,183,368 |
| Others | 4,364,793,950 | 1,818,034,478 | 78,386,105 | 356,468,398 | 342,468,413 | 250,853,031 | 7,211,004,375 | 7,211,004,375 |
| | **6,510,933,815** | **2,006,075,843** | **78,694,479** | **424,854,379** | **367,660,633** | **303,035,529** | **9,691,254,678** | **9,691,254,678** |
| **Liabilities:** | | | | | | | | |
| Deposits from banks | 136,053,409 | - | - | - | - | - | 136,053,409 | 136,053,409 |
| Deposits from customers | 1,483,966,595 | 3,849,977,171 | 202,880,420 | 545,631,907 | 894,869,484 | 433,508,614 | 7,410,834,190 | 7,410,834,190 |
| Others | 562,918,376 | 64,691,156 | 8,259,371 | 8,834,567 | 8,335,549 | 4,798,115 | 657,837,134 | 657,837,134 |
| | **2,182,938,380** | **3,914,668,327** | **211,139,791** | **554,466,474** | **903,205,033** | **438,306,729** | **8,204,724,733** | **8,204,724,733** |

**Operating segments (Continued)**

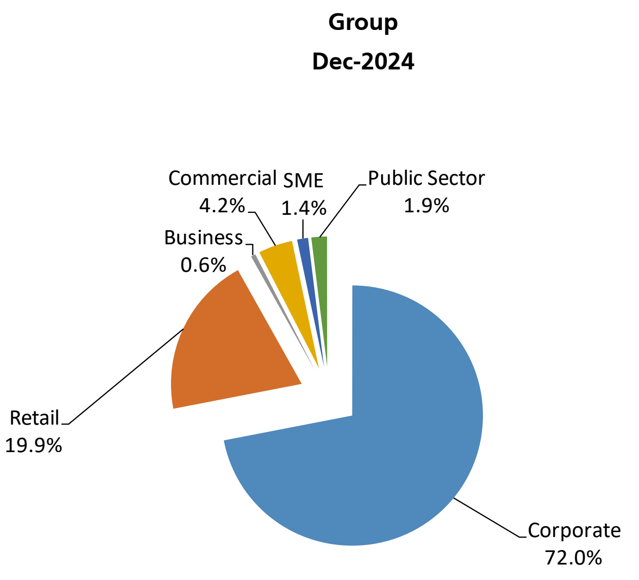
**Information about operating segments**

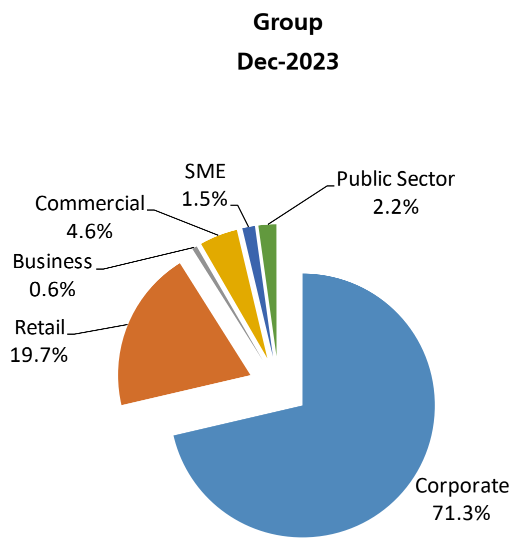
**Revenue**



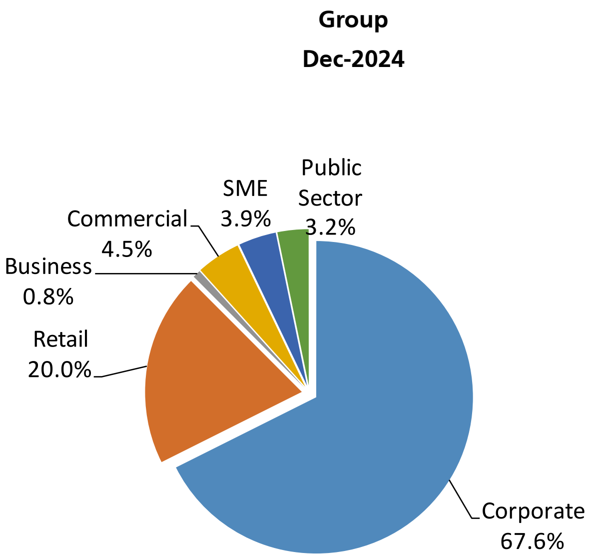



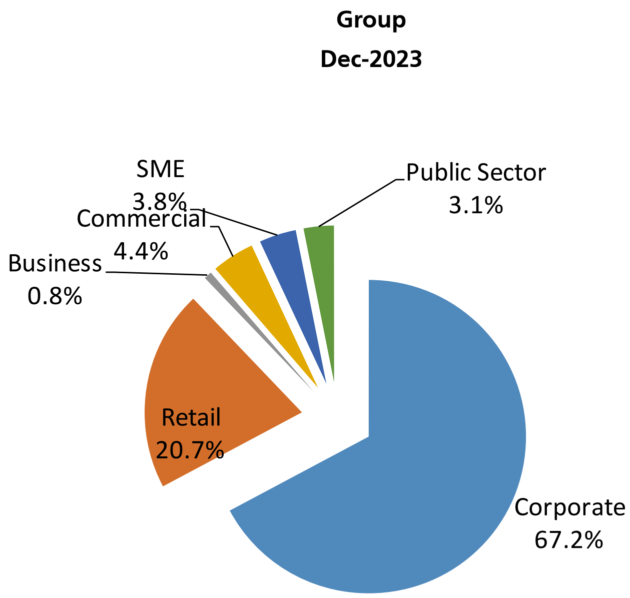

**Profit before tax**



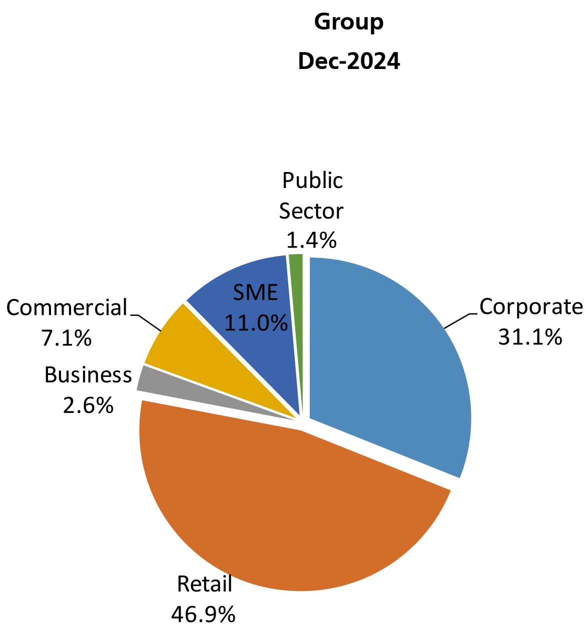



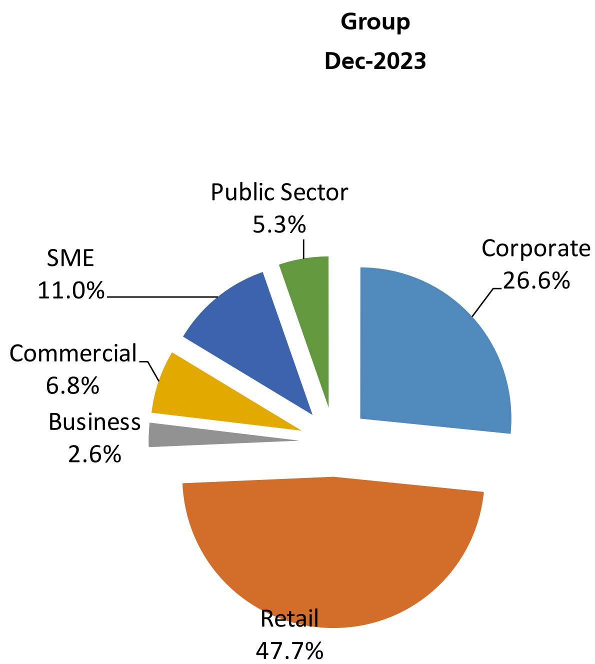
**Assets**




**Liabilities**



**Operating segments (Continued)**
**The following is an analysis of the Group's revenue and gains from continuing operations by products and services;**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Bonds | 83,060,623 | 12,597,013 | - | - |
| Placements | 231,118,041 | 63,470,018 | 367,664,083 | 109,735,273 |
| Treasury Bills | 358,909,946 | 91,143,098 | - | - |
| Loans | 779,833,230 | 422,852,876 | - | - |
| Contingents | 695,415,418 | 596,402,420 | - | - |
| | **2,148,337,258** | **1,186,465,425** | **367,664,083** | **109,735,273** |

Contingents relates to Bonds and Guarantees, Letters of Credit

**Reconciliation of reportable segment revenues, operating expenses, profit or loss and assets and liabilities**

**Reconciliation of revenues**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Continuing Operations: | | | | |
| Total revenue from reportable segments | 2,148,281,736 | 1,185,973,868 | 367,664,083 | 109,735,273 |
| Consolidation and adjustments: | | | | |
| - Other operating income | 55,522 | 491,557 | - | - |
| **Revenue from continuing operations** | **2,148,337,258** | **1,186,465,425** | **367,664,083** | **109,735,273** |

**Revenue from continuing operations as shown above is made up of:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Interest income | 1,341,801,663 | 550,755,128 | - | - |
| Fee and commission income | 221,231,208 | 124,162,260 | 3,487,220 | 3,487,220 |
| Net gains on financial instruments classified as held for trading | 86,237,811 | 62,201,192 | - | - |
| Other operating income | 499,066,576 | 449,346,845 | 364,176,863 | 106,248,053 |
| **Revenue and gains from continuing operations** | **2,148,337,258** | **1,186,465,425** | **367,664,083** | **109,735,273** |
| **Revenue from continuing operations** | **2,148,337,258** | **1,186,465,425** | **367,664,083** | **109,735,273** |

**Reconciliation of operating expenses**

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Continuing Operations: | | | | |
| | | | | |
| Total operating expense from reportable segments | 344,993,375 | 211,323,573 | 1,796,611 | 1,656,071 |
| **Operating expense from continuing operations** | **344,993,375** | **211,323,573** | **1,796,611** | **1,656,071** |

Operating expense from continuing operations as shown above is made up of:

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Personnel expenses (See Note17) | 85,397,889 | 45,097,281 | 1,474,269 | 1,301,639 |
| Other operating expenses (See Note20) | 259,595,486 | 166,226,292 | 322,342 | 354,432 |
| | **344,993,375** | **211,323,573** | **1,796,611** | **1,656,071** |

**Reconciliation of profit or loss**

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| Continuing Operations: | | | | |
| | | | | |
| Total profit or loss for reportable segments | 1,266,190,550 | 608,816,885 | 365,747,745 | 107,983,548 |
| Consolidation and adjustments: | | | | |
| - Other operating income | 55,523 | 491,557 | - | - |
| **Profit before income tax from continuing operations** | **1,266,246,073** | **609,308,442** | **365,747,745** | **107,983,548** |

**Reconciliation of assets**

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| Continuing Operations: | | | | |
| | | | | |
| Total assets for reportable segments | 14,795,706,831 | 9,691,254,678 | 832,537,053 | 163,814,999 |
| Consolidation and adjustments | - | - | - | - |
| **Total assets** | **14,795,706,831** | **9,691,254,678** | **832,537,053** | **163,814,999** |

**Reconciliation of liabilities**

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| Continuing Operations: | | | | |
| | | | | |
| Total liabilities for reportable segments | 12,069,925,959 | 8,204,724,733 | 221,385,129 | 16,584,495 |
| Consolidation and adjustments | 13,763,258 | 9,401,874 | - | - |
| **Total liabilities** | **12,083,689,217** | **8,214,126,607** | **221,385,129** | **16,584,495** |

**Geographical segments**

The Group operates in four geographic regions, being:

- Nigeria
- Rest of West Africa (comprising Ghana, Gambia, Sierra Leone, Liberia, Cote D'Ivoire)
- East Africa (comprising Kenya, Uganda, Rwanda and Tanzania)
- Europe (UK )

**Dec-2024**

| In thousands of Nigerian Naira | Nigeria | Rest of West Africa | East Africa | Europe | Total Continuing Operations | Total |
|---|---|---|---|---|---|---|
| | | | | | | |
| Derived from external customers | 1,527,802,434 | 467,852,764 | 86,347,509 | 66,334,551 | 2,148,337,258 | 2,148,337,258 |
| Derived from other segments | - | - | - | - | - | - |
| **Total Revenue** | **1,527,802,434** | **467,852,764** | **86,347,509** | **66,334,551** | **2,148,337,258** | **2,148,337,258** |
| Interest expense | (165,400,835) | (86,338,230) | (16,554,247) | (14,922,178) | (283,215,490) | (283,215,490) |
| Fee and commission expenses | (10,109,830) | (16,614,111) | (4,795,855) | - | (31,519,796) | (31,519,796) |
| **Net interest margin** | **1,352,291,769** | **364,900,423** | **64,997,407** | **51,412,373** | **1,833,601,972** | **1,833,601,972** |
| | | | | | | |
| **Profit before income tax** | **992,878,058** | **232,739,981** | **18,465,573** | **22,162,461** | **1,266,246,073** | **1,266,246,073** |
| | | | | | | |
| | | | | | | |
| **Assets and liabilities:** | | | | | | |
| Total assets | 9,882,208,762 | 3,304,463,493 | 701,573,136 | 907,461,440 | 14,795,706,831 | 14,795,706,831 |
| Total liabilities | (8,121,437,291) | (2,469,905,281) | (609,402,301) | (882,944,344) | (12,083,689,217) | (12,083,689,217) |
| **Net assets/(liabilities)** | **1,760,771,471** | **834,558,212** | **92,170,835** | **24,517,096** | **2,712,017,614** | **2,712,017,614** |

**Dec-2023**

| In thousands of Nigerian Naira | Nigeria | Rest of West Africa | East Africa | Europe | Total Continuing Operations | Total |
|---|---|---|---|---|---|---|
| Derived from external customers | 936,134,277 | 187,968,742 | 35,526,642 | 26,835,764 | 1,186,465,425 | 1,186,465,425 |
| Derived from other segments | - | - | - | - | - | - |
| **Total Revenue** | **936,134,277** | **187,968,742** | **35,526,642** | **26,835,764** | **1,186,465,425** | **1,186,465,425** |
| Interest expense | (79,895,544) | (24,678,594) | (5,733,128) | (3,751,277) | (114,058,543) | (114,058,543) |
| Fee and commission expenses | (6,266,951) | (6,516,338) | (1,950,476) | - | (14,733,765) | (14,733,765) |
| **Net interest margin** | **849,971,782** | **156,773,810** | **27,843,038** | **23,084,487** | **1,057,673,117** | **1,057,673,117** |
| **Profit before income tax** | **478,552,412** | **105,570,933** | **13,713,201** | **11,471,896** | **609,308,442** | **609,308,442** |
| **Assets and liabilities:** | | | | | | |
| Total assets | 7,106,830,917 | 1,734,026,184 | 398,434,489 | 451,963,088 | 9,691,254,678 | 9,691,254,678 |
| Total liabilities | (6,142,172,579) | (1,333,767,698) | (320,279,756) | (417,906,574) | (8,214,126,607) | (8,214,126,607) |
| **Net assets/(liabilities)** | **964,658,338** | **400,258,486** | **78,154,733** | **34,056,514** | **1,477,128,071** | **1,477,128,071** |

## 8 Financial assets and liabilities

### Accounting classification measurement basis and fair values

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

**Group**
**Dec-2024**

| | | Carrying Amount | | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Fair value through profit or loss | Held at ammortised cost | Fair value through other omprehensive income | Other financial assets / liabilities at amortised cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total Fair value |
| **In thousands of Nigerian Naira** | | | | | | | | | | |
| | | | | | | | | | | |
| Cash and cash equivalents[3] | 22 | - | 4,673,048,120 | - | - | 4,673,048,120 | 4,673,048,120 | - | - | 4,673,048,120 |
| Loans and advances to banks[3] | 27 | - | 87,794 | - | - | 87,794 | - | 87,794 | - | 87,794 |
| Loans and advances to customers | 28 | - | 2,785,664,040 | - | - | 2,785,664,040 | - | 2,498,672,487 | 248,841,008 | 2,747,513,495 |
| Financial assets at fair value through profit or loss | 23 | 59,602,997 | - | - | - | 59,602,997 | 59,602,997 | - | - | 59,602,997 |
| Derivative financial assets | 24 | - | - | - | - | - | - | - | - | - |
| Assets pledged as collateral | 26 | - | - | 114,570,075 | - | 114,570,075 | 114,570,075 | - | - | 114,570,075 |
| **Investment securities:** | | | | | | | | | | |
| – Fair value through profit or loss | 25 | 5,508,086 | - | - | - | 5,508,086 | - | - | 5,508,086 | 5,508,086 |
| – Fair Value through other comprehensive Income | 25 | - | - | 2,495,063,888 | - | 2,495,063,888 | 2,492,242,832 | - | 2,821,056 | 2,495,063,888 |
| – Held at amortised cost | 25 | - | 1,647,724,053 | - | - | 1,647,724,053 | 1,704,425,789 | 1,571,327 | - | 1,705,997,116 |
| Restricted deposits and other assets[1] | 33 | - | 2,398,662,985 | - | - | 2,398,662,985 | - | 2,608,415,629 | - | 2,608,415,629 |
| | | **65,111,083** | **11,505,186,992** | **2,609,633,963** | **-** | **14,179,932,038** | **9,043,889,813** | **5,108,747,237** | **257,170,150** | **14,409,807,200** |
| | | | | | | | | | | |
| Deposits from banks | 34 | - | - | - | 388,420,244 | 388,420,244 | - | 432,879,923 | - | 432,879,923 |
| Deposits from customers | 35 | - | - | - | 10,013,021,406 | 10,013,021,406 | - | 9,630,315,870 | - | 9,630,315,870 |
| Financial liabilities at fair value through profit or loss | 36 | 51,174,468 | - | - | - | 51,174,468 | 51,174,468 | - | - | 51,174,468 |
| Derivative financial liabilities | 24 | 10,759,624 | - | - | - | 10,759,624 | - | 10,759,624 | - | 10,759,624 |
| Other borrowed funds | 39 | - | - | - | 310,021,046 | 310,021,046 | - | 316,216,955 | - | 316,216,955 |
| Other liabilities[2] | 37 | - | - | - | 927,420,257 | 927,420,257 | - | 927,420,257 | - | 927,420,257 |
| | | **61,934,092** | **-** | **-** | **11,638,882,953** | **11,700,817,045** | **51,174,468** | **11,317,592,629** | **-** | **11,368,767,097** |

[1] Excludes prepayments and stocks

[2] Excludes Deferred Income and Provision for Litigations

[1,2&3] it is assumed that fair value approximates the carrying amount

**Group**
**Dec-2023**

| | | Carrying Amount | | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Fair value through profit or loss | Held at ammortised cost | Fair value through other comprehensive income | Other financial assets / liabilities at amortised cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total Fair value |
| **In thousands of Nigerian Naira** | | | | | | | | | | |
| Cash and cash equivalents[3] | 22 | - | 2,309,618,698 | - | - | 2,309,618,698 | 2,309,618,698 | - | - | 2,309,618,698 |
| Loans and advances to banks[3] | 27 | - | 66,935 | - | - | 66,935 | - | 66,935 | - | 66,935 |
| Loans and advances to customers | 28 | - | 2,480,183,368 | - | - | 2,480,183,368 | - | 2,306,119,741 | 138,835,388 | 2,444,955,129 |
| Financial assets at fair value through profit or loss | 23 | 28,066,613 | - | - | - | 28,066,613 | 28,066,613 | - | - | 28,066,613 |
| Derivative financial assets | 24 | 28,961,143 | - | - | - | 28,961,143 | - | - | 28,961,143 | 28,961,143 |
| Assets pledged as collateral | 26 | - | - | 86,552,701 | - | 86,552,701 | 86,552,701 | - | - | 86,552,701 |
| Investment securities: | | | | | | | | | | |
| – Fair value through profit or loss | 25 | 3,947,850 | - | - | - | 3,947,850 | - | - | 3,947,850 | 3,947,850 |
| – Fair Value through other comprehensive Income | 25 | - | - | 894,064,002 | - | 894,064,002 | 891,917,591 | - | 2,146,411 | 894,064,002 |
| – Held at amortised cost | 25 | - | 1,571,317,478 | - | - | 1,571,317,478 | 886,771,662 | 550,126,840 | - | 1,436,898,502 |
| Restricted deposits and other assets[1] | 33 | - | 1,944,380,766 | - | - | 1,944,380,766 | - | 1,832,120,494 | - | 1,832,120,494 |
| | | **60,975,606** | **8,305,567,245** | **980,616,703** | **-** | **9,347,159,554** | **4,202,927,265** | **4,688,434,010** | **173,890,792** | **9,065,252,067** |
| | | | | | | | | | | |
| Deposits from banks | 34 | - | - | - | 136,053,409 | 136,053,409 | - | 182,142,417 | - | 182,142,417 |
| Deposits from customers | 35 | - | - | - | 7,410,834,190 | 7,410,834,190 | - | 7,367,433,912 | - | 7,367,433,912 |
| Financial liabilities at fair value through profit or loss | 36 | 809,342 | - | - | - | 809,342 | 809,342 | - | - | 809,342 |
| Derivative financial liabilities | 24 | - | - | - | - | - | - | - | - | - |
| Other borrowed funds | 39 | - | - | - | 72,119,485 | 72,119,485 | - | 72,533,183 | - | 72,533,183 |
| Other liabilities[2] | 37 | - | - | - | 417,433,890 | 417,433,890 | - | 417,433,890 | - | 417,433,890 |
| | | **809,342** | **-** | **-** | **8,036,440,974** | **8,037,250,316** | **809,342** | **8,039,543,402** | **-** | **8,040,352,744** |

[1]Excludes prepayments and Stocks
[2] Excludes Deferred Income and Provision for Litigations
[1,2&3] it is assumed that fair value approximates the carrying amount

**Company**
**Dec-2024**

| | | Carrying Amount | | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Fair value through profit or loss | Held at ammortised cost | Fair value through other comprehensive income | Other financial assets / liabilities at amortised cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total Fair value |
| **In thousands of Nigerian Naira** | | | | | | | | | | |
| Cash and cash equivalents[3] | 23 | - | 210,095,331 | - | - | 210,095,331 | 210,095,331 | - | - | 210,095,331 |
| Restricted deposits and other assets[1] | 34 | - | 250,238,501 | - | - | 250,238,501 | - | 250,238,501 | - | 250,238,501 |
| | | **-** | **460,333,832** | **-** | **-** | **460,333,832** | **210,095,331** | **250,238,501** | **-** | **460,333,832** |
| Other liabilities[2] | 37 | - | - | - | 221,179,425 | 221,179,425 | - | 221,179,425 | - | 221,179,425 |
| | | **-** | **-** | **-** | **221,179,425** | **221,179,425** | **-** | **221,179,425** | **-** | **221,179,425** |

[1]Excludes prepayments
[2] Excludes Deferred Income and Provision for Litigations
[3] it is assumed that fair value approximates the carrying amount

**Company**
**Dec-2023**

| | | Carrying Amount | | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Fair value through profit or loss | Held at ammortised cost | Fair value through other comprehensive income | Other financial assets / liabilities at amortised cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total Fair value |
| **In thousands of Nigerian Naira** | | | | | | | | | | |
| Cash and cash equivalents[3] | 23 | - | 60,169 | - | - | 60,169 | 60,169 | - | - | 60,169 |
| | | **-** | **60,169** | **-** | **-** | **60,169** | **60,169** | **-** | **-** | **60,169** |
| Other liabilities[2] | 37 | - | - | - | 16,483,941 | 16,483,941 | - | 16,483,941 | - | 16,483,941 |
| | | **-** | **-** | **-** | **16,483,941** | **16,483,941** | **-** | **16,483,941** | **-** | **16,483,941** |

[1]Excludes prepayments
[2] Excludes Deferred Income and Provision for Litigations
[3] it is assumed that fair value approximates the carrying amount

### Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those FVTPL and FVOCI) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| **Interest income calculated using the effective interest method** | | | | |
| Loans and advances to banks | 6,411,819 | 11,583,959 | - | - |
| Loans and advances to customers | 509,244,644 | 290,666,125 | - | - |
| | 515,656,463 | 302,250,084 | - | - |
| Cash and cash equivalents | 226,825,839 | 66,221,541 | - | - |
| Investment securities: | | | | |
| - Investment securities FVOCI | 331,416,632 | 69,627,860 | - | - |
| - Investment securities at amortised cost | 231,219,793 | 87,176,545 | - | - |
| Assets pledged as collateral | 16,462,932 | 5,741,514 | - | - |
| | 1,321,581,659 | 531,017,544 | - | - |
| Interest income on financial assets FVTPL | | | | |
| Investment securities FVTPL | 20,220,004 | 19,737,584 | - | - |
| | **20,220,004** | **19,737,584** | **-** | **-** |
| **Total interest income** | **1,341,801,663** | **550,755,128** | **-** | **-** |
| Geographical location | | | | |
| Interest income earned in Nigeria | 808,191,334 | 344,287,126 | - | - |
| Interest income earned outside Nigeria | 533,610,329 | 206,468,002 | - | - |
| | **1,341,801,663** | **550,755,128** | **-** | **-** |

## 10 Interest expense

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| **Interest expense calculated using the effective interest method** | | | | |
| Deposit from banks | 14,074,955 | 2,909,166 | - | - |
| Deposit from customers | 220,464,344 | 102,758,138 | - | - |
| | 234,539,299 | 105,667,304 | - | - |
| Other borrowed funds | 47,344,192 | 7,357,144 | - | - |
| | **281,883,491** | **113,024,448** | **-** | **-** |
| Interest expense on financial liabilities FVTPL | | | | |
| Financial liabilities at fair value through profit or loss | 1,331,999 | 1,034,095 | - | - |
| | | | | |
| **Total interest expense** | **283,215,490** | **114,058,543** | **-** | **-** |
| | | | | |
| Geographical location | | | | |
| | | | | |
| Interest expense paid in Nigeria | 165,174,827 | 79,804,129 | - | - |
| Interest expense paid outside Nigeria | 118,040,663 | 34,254,414 | - | - |
| | **283,215,490** | **114,058,543** | **-** | **-** |

## 11 Loan impairment (reversal) / charges

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| **Loans and advances to banks (Note 27)** | **(11,337)** | **13,420** | **-** | **-** |
| Stage 1 - 12 Months ECL | (25) | 92 | - | - |
| Stage 3 - Lifetime ECL Credit Impaired | (11,312) | 13,328 | - | - |
| **Loans and advances to customers (Note 28)** | **136,673,315** | **102,939,862** | **-** | **-** |
| Stage 1 - 12 Months ECL | 16,069,145 | 9,906,858 | - | - |
| Stage 2 - Lifetime ECL Not Credit Impaired | 91,479,050 | 64,203,770 | - | - |
| Stage 3 - Lifetime ECL Credit Impaired | 29,125,120 | 28,829,234 | - | - |
| | | | | |
| | **136,661,978** | **102,953,282** | **-** | **-** |

## 12 Fee and commission income

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Credit related fees and commissions[1] | 14,695,267 | 9,132,471 | - | - |
| Account maintenance charges | 32,063,499 | 22,805,035 | - | - |
| Corporate finance fees | 4,149,816 | 3,389,103 | - | - |
| Asset management fees | 2,003,694 | 1,010,643 | - | - |
| E-business Income | 56,564,569 | 40,829,055 | - | - |
| Commission on foreign exchange deals | 34,813,965 | 14,857,965 | - | - |
| Commission on touch points | 12,579,841 | 3,962,147 | - | - |
| Income from financial guarantee contracts issued | 11,771,120 | 4,183,959 | - | - |
| Account services, maintenance and anciliary banking charges | 37,115,904 | 14,594,770 | - | - |
| Shared service fees | - | - | 3,487,220 | 3,487,220 |
| Transfers related charges | 15,473,533 | 9,397,112 | - | - |
| | **221,231,208** | **124,162,260** | **3,487,220** | **3,487,220** |

[1]Credit related fees and commissions are loans and advances related fees that are not integral part of effective interest.

## 13 Fee and commission expense

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Bank charges | 24,637,423 | 12,011,817 | - | - |
| Loan recovery expenses | 6,882,373 | 2,721,948 | - | - |
| | **31,519,796** | **14,733,765** | **-** | **-** |

## 14 Net trading gains on financial instruments held at FVPL

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Bonds FVPL | 2,076,821 | 182,089 | - | - |
| Treasury bills FVPL | 5,893,348 | 3,125,408 | - | - |
| Special Bills | - | 506 | - | - |
| Euro Bond | 1,434,744 | 304,107 | - | - |
| Net foreign exchange trading gain | 76,832,898 | 58,589,082 | - | - |
| **Net trading income** | **86,237,811** | **62,201,192** | **-** | **-** |

### 15 Other income

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Mark to market gains/(loss) on trading investments | 2,023,108 | (4,951,704) | - | - |
| Unrealised Foreign exchange revaluation gain/(loss)[1] | (1,948,497) | 74,524,051 | - | - |
| Unrealised Fair value gain on financial instrument[1] | 517,500,098 | 367,266,907 | - | - |
| Unrealised Loss on forward transactions[1] | (39,720,767) | (584,714) | - | - |
| Gain on disposal of fixed assets | 187,598 | 11,581 | - | - |
| Discounts and recoverables | 10,375,021 | 5,221,553 | 39,698 | 295,808 |
| Recoveries | 10,219,297 | 7,611,013 | - | - |
| Dividends income[2] | 430,718 | 248,158 | 364,137,165 | 105,952,245 |
| | **499,066,576** | **449,346,845** | **364,176,863** | **106,248,053** |

[1] These gains are strictly unrealised
[2]This relates to dividend received/receivable from GTBank Nigeria for onward distribution to equity holders subject to appropriate deduction of withholding tax, and would be adjusted for the purpose of CIT Computation at Holding Company Level Of the Dividend Income, the sum of ₦113,898,664,000 was received during the year while the sum of ₦250,238,501,000 was held as receivable from Guaranty Trust Bank Limited..

### 16 Net impairment charge / (reversal) on other financial assets

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Impairment charges/(reversal) on investment securities | (14,175,946) | 4,570,063 | - | - |
| Modification charge on investment securities | 27,573,321 | - | - | - |
| Impairment charges on other assets | 428,992 | 25,478,968 | - | - |
| Impairment charges on placements | - | 1,991,892 | - | - |
| Impairment charges on contingents | 13,841,354 | 62,951,454 | - | - |
| | **27,667,721** | **94,992,377** | **-** | **-** |

[1]The impairment relating to Ghana Eurobonds classified as purchased or originated credit-impaired financial (POCI) are immaterial.

### 17 Personnel expenses

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Wages and salaries | 88,690,243 | 48,540,985 | 1,474,269 | 1,301,639 |
| Contributions to defined contribution plans | 4,878,061 | 2,269,725 | - | - |
| Defined benefit costs | (4,279,719) | (1,494,892) | - | - |
| Cash-settled share-based payments (see 17(b) below) | (3,890,696) | (4,218,537) | - | - |
| | **85,397,889** | **45,097,281** | **1,474,269** | **1,301,639** |

**Cash - settled share-based payments**

The Group operates a cash-settled share-based compensation plan (share appreciation rights (SARs)) for its personnel (Management and non-management) upon which its profit-sharing scheme (PSS) is based. The Cash-settled share-based payments are accounted for in accordance with IFRS 2, the gains arising from the valuation of the scheme portfolio are calculated as the difference between the portfolio Cost and Market price of the underlying shares held within the Staff Investment Trust Portfolio as at reporting period. The scheme is entitled to receive Dividends on its shares, from which certain Percentage of the Dividends received and Administrative fees received from the Bank for the management of the employee shares held by it are in turn paid to employees as PSS on a deferred basis.

The Dividends and Admin Fees received by the Scheme are net of WHT.

The management personnel are also entitled to share appreciation rights after spending ten years in the Bank. Qualified employees must have been in the scheme for five years and must have held the shares for at least three years. The Qualified employees are paid at the point of exit from the balance in the SIT pool, the exit payment is linked to the estimated gains derived based on the last approved net asset valuation of the Scheme plus cost paid by the employees for the underlying shares at the point of entry and progressive increases in cost paid for additional shares taken up during the course of employment depending on the vesting conditions of the shares held.

The details of SARs granted at the reporting date are provided below:

| In thousands | Number of shares |
|---|---|
| SARs granted to senior management employees at 31 December 2024 | 434,451 |
| SARs granted to senior management employees at 31 December 2023 | 343,649 |

**(b) Employee expenses for share-based payments**

| In thousands of Nigerian Naira | Note | Group Dec-2024 | Group Dec-2023 |
|---|---|---|---|
| Total carrying amount of liabilities for cash-settled arrangements | 37 | 13,763,258 | 9,401,874 |

(i) The average number of persons employed during the year was as follows:

| | Group Dec-2024 Number | Group Dec-2023 Number | Company Dec-2024 Number | Company Dec-2023 Number |
|---|---|---|---|---|
| Executive directors | 2 | 2 | 2 | 2 |
| Management | 280 | 268 | 4 | 5 |
| Non-management | 5,521 | 5,217 | 39 | 39 |
| | **5,803** | **5,487** | **45** | **46** |

(ii) The average number of persons in employment during the year is shown below:

| | Group Dec-2024 Number | Group Dec-2023 Number | Company Dec-2024 Number | Company Dec-2023 Number |
|---|---|---|---|---|
| Administration | 152 | 185 | 11 | 9 |
| Commercial Banking Abuja | 26 | 26 | - | - |
| Commercial Banking Lagos | 112 | 114 | - | - |
| Commercial Banking North East | 52 | 51 | - | - |
| Commercial Banking North West | 50 | 48 | - | - |
| Commercial Banking South East | 60 | 58 | - | - |
| Commercial Banking South South | 141 | 132 | - | - |
| Communication and External Affairs | 51 | 58 | 7 | 10 |
| Compliance Group | 116 | 98 | 5 | 5 |
| Enterprise Risk Management | 153 | 154 | 6 | 6 |
| Chief Executive Director | 1 | 1 | 1 | 1 |
| Financial Control, Group Reporting & Strategy | 95 | 96 | 1 | 4 |
| Human Resources | 70 | 62 | 6 | 3 |
| Institutional Banking | 40 | 65 | - | - |
| International Banking | 94 | 97 | - | - |
| Operations | 472 | 410 | - | - |

| | | | | |
|---|---|---|---|---|
| Procurement & Expense Control | - | 13 | - | - |
| Public Sector Abuja | 16 | 18 | - | - |
| Public Sector Lagos | 15 | 16 | - | - |
| Retail Lagos | 273 | 274 | - | - |
| Retail Abuja | 91 | 87 | - | - |
| SME Division - Lagos | 142 | 148 | - | - |
| Foods and Beverages | 29 | 24 | - | - |
| Global Markets Division | - | 17 | - | - |
| Systems and Control | 172 | 171 | 5 | 4 |
| Technology | 264 | 269 | - | 1 |
| Transaction Services | 1,692 | 1,612 | - | - |
| Wholesale Banking | 36 | 30 | - | - |
| Commercial Banking Subsidiaries | 88 | 87 | - | - |
| Treasury & ALM | 27 | 8 | - | - |
| Corporate Bank | 52 | 49 | - | - |
| Energy Banking Division | 30 | 32 | - | - |
| Retail Subsidiaries | 313 | 303 | - | - |
| Agency Banking Group | 7 | 7 | - | - |
| Public Sector Subsidiaries | 30 | 36 | - | - |
| Other Support Services Subsidiaries | 537 | 359 | - | - |
| Business Banking | 67 | 58 | - | - |
| Customer Experience Management Division | 158 | 121 | - | - |
| Data Analytics Division | 7 | 4 | 1 | 1 |
| Legal Group | 70 | 68 | 2 | 2 |
| | **5,803** | **5,487** | **45** | **46** |

(iii) Average number of employees other than directors, earning more than ₦720,000 per annum, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

| | Group<br>Dec-2024<br>Number | Group<br>Dec-2023<br>Number | Company<br>Dec-2024<br>Number | Company<br>Dec-2023<br>Number |
|---|---|---|---|---|
| ₦720,001 - ₦1,400,000 | 962 | 847 | - | - |
| ₦1,400,001 - ₦2,050,000 | 398 | 386 | - | - |
| ₦2,190,001 - ₦2,330,000 | 125 | 105 | - | - |
| ₦2,330,001 - ₦2,840,000 | 23 | 13 | - | - |
| ₦2,840,001 - ₦3,000,000 | 86 | 56 | - | - |
| ₦3,001,001 - ₦3,830,000 | 331 | 460 | - | - |
| ₦3,830,001 - ₦4,530,000 | 110 | 97 | - | - |
| ₦4,530,001 - ₦5,930,000 | 1,761 | 1,889 | - | 8 |
| ₦6,000,001 - ₦6,800,000 | 229 | 99 | - | - |
| ₦6,800,001 - ₦7,300,000 | 24 | 19 | - | 1 |
| ₦7,300,001 - ₦7,800,000 | 211 | 191 | - | - |
| ₦7,800,001 - ₦8,600,000 | 570 | 366 | 3 | - |
| ₦8,600,001 - ₦11,800,000 | 297 | 316 | - | 18 |
| Above ₦11,800,000 | 674 | 641 | 40 | 17 |
| | | | | |
| | **5,801** | **5,485** | **43** | **44** |

## 18 Depreciation and amortisation

| | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| **In thousands of Nigerian Naira** | | | | |
| Amortisation of intangible assets (see note 31) | 8,257,133 | 7,694,837 | - | - |
| Depreciation of property equipment and right of use assets (see note 30) | 49,775,692 | 31,400,606 | 119,727 | 95,654 |
| | **58,032,825** | **39,095,443** | **119,727** | **95,654** |

## 19 Other operating expenses

| | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Finance costs[4] | 2,962,443 | - | - | - |
| Deposit insurance premium | 21,929,824 | 17,010,713 | - | - |
| Other insurance premium | 3,866,819 | 1,807,311 | - | - |
| Auditors' remuneration[1] | 2,956,146 | 1,548,347 | 65,375 | 81,125 |
| Professional fees and other consulting costs | 5,679,653 | 3,011,000 | 9,502 | 85,169 |
| AMCON expenses | 36,656,104 | 27,309,461 | - | - |
| Stationery and postage | 3,525,431 | 2,121,351 | 2,040 | 7,769 |
| Business travel expenses | 3,345,023 | 1,829,592 | - | - |
| Advert, promotion and corporate gifts[5] | 17,417,996 | 8,762,339 | - | - |
| Repairs and maintenance | 17,888,273 | 9,277,780 | 14,984 | 5,487 |
| Occupancy costs[2] | 17,286,858 | 9,812,252 | - | - |
| Directors' emoluments | 2,877,283 | 1,274,888 | 107,235 | 83,128 |
| Outsourcing services[3] | 32,398,360 | 21,603,872 | - | - |
| Technological and service related expense[6] | 88,036,835 | 59,340,264 | 123,205 | 91,754 |
| Shared Service Fees | 261,541 | 261,541 | - | - |
| Customer service related expenses | 2,506,896 | 1,255,581 | - | - |
| | **259,595,485** | **166,226,292** | **322,341** | **354,432** |

[1] Auditor's remuneration represents fees for the interim and full year audits of the Group and Bank for the year ended 31 December 2024. The Company also paid the auditors professional fees for non-audit services. These services, in the Company's opinion did not impair the independence and objectivity of the external auditor. Non- audit services provided during the year are stated below.

| Name of Signer | FRC Number | Name of Firm | Services Rendered | Amount |
|---|---|---|---|---|
| Anthony Oputa | FRC/2013/ICAN/00000000980 | EY | RRP Validation | ₦6,500,000 |
| Anthony Oputa | FRC/2013/ICAN/00000000980 | EY | ICFR Certification | ₦35,000,000 |

[2] This relates to diesel, fuel, and electricity cost as well as ground rates and water cost
[3] Outsourcing services relates to salaries paid to outsourced contract staff
[4] This relates to interest on lease liabilities
[5] Donation is Included as part of advert,promotion and corporate gifts
[6] Inclusive of training, other wellbeing expenses and administrative fee due to SIT for management of the shares entered by the Scheme and estimate of expenses in employee benefit being determined as required by IAS 19

## 20 Income tax expense recognised in the Income statement

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| a) Current tax expense: | | | | |
| Company income tax | 175,030,980 | 57,289,723 | - | - |
| Education Tax | 12,708,978 | 4,038,803 | 51,426 | 63,199 |
| Police Trust Fund Levy | 50,233 | 23,840 | 81 | 102 |
| NASENI Levy | 2,511,637 | 1,186,607 | 4,026 | 5,078 |
| NITDEF tax levy | 10,046,549 | 4,767,912 | 16,106 | 20,313.00 |
| Financial Sector Clean-up Levy | 6,725,939 | 3,293,520 | - | - |
| National fiscal Stabilization levy | 6,725,939 | 3,293,520 | - | - |
| | **213,800,255** | **73,893,925** | **71,639** | **88,692** |
| | | | | |
| Windfall tax | 51,249,586 | - | - | - |
| Prior year's under provision | 2,577,250 | 3,003,000 | 849,052 | 1,481,118 |
| | | | | |
| **Deferred tax expense:** | | | | |
| | | | | |
| Origination of temporary differences | (19,183,867) | (7,243,157) | 122,203 | 11,862 |
| | **248,443,224** | **69,653,768** | **1,042,894** | **1,581,672** |

**Reconciliation of effective tax rate**

**Group**

| In thousands of Nigerian Naira | Dec-2024 | Dec-2023 | Dec-2024 | Dec-2023 |
|---|---|---|---|---|
| Profit before income tax | 1,266,246,073 | - | 609,308,442 | - |
| Income tax using the domestic corporation tax rate | 379,873,822 | 30.0% | 182,792,533 | 30.0% |
| Effect of tax rates in foreign jurisdictions | (13,123,424) | -1.0% | (13,745,700) | -2.3% |
| Tax reliefs/WHT Credits | (3,632,848) | -0.3% | (1,739,230) | -0.3% |
| Non-deductible expenses[1] | 18,722,890 | 1.5% | 55,662,641 | 9.1% |
| Education tax levy | 12,708,978 | 1.0% | 4,038,803 | 0.7% |
| Police Trust Fund Levy | 50,233 | 0.0% | 23,840 | 0.0% |
| NASENI tax levy | 2,511,637 | 0.2% | 1,186,607 | 0.2% |
| NITDEF tax levy | 10,046,549 | 0.8% | 4,767,912 | 0.8% |
| Financial Sector Clean-up Levy | 6,725,939 | 0.5% | 3,293,520 | 0.5% |
| National fiscal Stabilization levy | 6,725,939 | 0.5% | 3,293,520 | 0.5% |
| Tax exempt income[2] | (194,983,395) | -15.4% | (159,573,904) | -26.2% |
| Deductible expenses[3] | (3,013,965) | -0.2% | (1,423,929) | -0.2% |
| Net capital allowance | (27,995,967) | -2.2% | (11,925,844) | -2.0% |
| Windfall tax[4] | 51,249,586 | 4.0% | - | 0.0% |
| Prior year's under provision | 2,577,250 | 0.2% | 3,003,000 | 0.5% |
| **Total income tax expense** | **248,443,224** | **19.6%** | **69,653,768** | **11.4%** |

[1] Non-deductible expense include depreciation, stage 1 impairment, non-allowable donations ,etc

[2] Tax exempt income include FX translation gains, Dividends, Interest earned on FGN bonds etc

[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

[4] In July 2024, the Nigerian government enacted the Windfall Tax Bill as an amendment to Section 29A of the Finance Act,2023, imposing tax on realised foreign exchange gains earned by the Bank. In accordance with this legislation, the Federal Inland Revenue Service (FIRS) has assessed the Bank's laibility for the windfall tax, advising a total provision of ₦51bn, which includes ₦23.7bn for the year 2023.
The Bank has recognised this provision in its financial statements, reflecting its commitment to comply with tax obligations and contribute to national revenue.

**Reconciliation of effective tax rate**
**Company**

| In thousands of Nigerian Naira | Dec-2024 | Dec-2024 | Dec-2023 | Dec-2023 |
|---|---|---|---|---|
| Profit before income tax | 365,747,745 | | 107,983,548 | |
| Income tax using the domestic corporation tax rate | 483,174 | 0.1% | 609,391 | 0.6% |
| Tax reliefs/WHT Credits | (418,911) | -0.1% | (525,293) | -0.5% |
| Non-deductible expenses[1] | 35,918 | 0.0% | 28,696 | 0.0% |
| Education tax levy | 51,426 | 0.0% | 63,199 | 0.1% |
| Police Trust Fund Levy | 81 | 0.0% | 102 | 0.0% |
| NITDEF tax levy | 16,106 | 0.0% | 20,313 | 0.0% |
| NASENI tax levy | 4,026 | 0.0% | 5,078 | 0.0% |
| Tax exempt income | 122,203 | 0.0% | 11,862 | 0.0% |
| Deductible expenses[3] | (4,832) | 0.0% | (6,094) | 0.0% |
| Net capital allowance | (95,349) | 0.0% | (106,700) | -0.1% |
| Prior year's under provision | 849,052 | 0.2% | 1,481,118 | 1.4% |
| **Total income tax expense** | **1,042,894** | **0.3%** | **1,581,672** | **1.5%** |

[1] Non-deductible expense include depreciation, stage 1 impairment, non-allowable donations ,etc
[2] Tax exempt income include FX translation gains, Dividends, Interest earned on FGN bonds etc
[3] This relates to tax impact of aligning National Information Technology Development Levy (NITDEF) as a deductible expense for tax computation purpose.

**Income tax recognised in other comprehensive income**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2024 | Company Dec-2023 | Company Dec-2023 |
|---|---|---|---|---|
| Income tax relating to remeasurements of post-employment benefit obligations | 2,342,022 | 1,686,771 | - | - |
| Income tax relating to Foreign currency translation differences for foreign operations | 55,033,857 | 42,530,743 | - | - |
| Income tax relating to Net change in FVOCI financial assets | (5,506,347) | 3,168,510 | - | - |
| | **51,869,532** | **47,386,024** | **-** | **-** |

**(b) Current income tax payable**

**The movement on the current income tax payable account during the year was as follows:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2024 | Company Dec-2023 | Company Dec-2023 |
|---|---|---|---|---|
| Balance, beginning of the year | 41,303,351 | 35,307,860 | 88,692 | - |
| Exchange difference on translation | 2,055,955 | 11,771,446 | - | - |
| Charge for the year | 213,800,255 | 73,893,925 | 71,639 | 88,692 |
| Windfall Tax | 51,249,586 | - | - | - |
| Prior year's under provision | 2,577,251 | 3,003,000 | 849,052 | 1,481,118 |
| Payments during the year | (124,320,990) | (82,672,880) | (937,744) | (1,481,118) |
| **Balance, end of the year** | **186,665,408** | **41,303,351** | **71,639** | **88,692** |

## 21 Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the company and held as treasury shares.

The calculation of basic earnings per share for the reporting period was based on the profit atttributable to ordinary shareholders of ₦1,006,219,889,000 (Company: ₦364,704,851,000) and a weighted average number of ordinary shares outstanding of 28,395,020,000 (after adjusting for Treasury shares) for the Group and 29,823,493,000 for the Company.

**Profit attributable to ordinary shareholders**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Net profit attributable to equity holders of the Company | 1,006,219,889 | 534,425,317 | 364,704,851 | 106,401,876 |
| **Net profit used to determine diluted earnings per share** | **1,006,219,889** | **534,425,317** | **364,704,851** | **106,401,876** |

**Number of ordinary shares**

| In thousands of shares | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Weighted average number of ordinary shares in issue | 28,395,020 | 28,022,000 | 29,823,493 | 29,431,179 |
| **Basic earnings per share (expressed in naira per share)** | **35.44** | **19.07** | **12.23** | **3.62** |

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS are the same for the Group.

## 22 Cash and bank balances

**(a)**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Cash in hand | 529,117,007 | 208,510,813 | 210,095,331 | 60,169 |
| Balances held with other banks | 830,071,371 | 493,734,665 | - | - |
| Unrestricted balances with central banks | 472,981,966 | 238,378,190 | - | - |
| Money market placements | 2,844,526,719 | 1,371,081,069 | - | - |
| | **4,676,697,063** | **2,311,704,737** | **210,095,331** | **60,169** |
| Impairment on Placements | (3,648,943) | (2,086,039) | - | - |
| | **4,673,048,120** | **2,309,618,698** | **210,095,331** | **60,169** |

| | | | | |
|---|---|---|---|---|
| Current | 4,673,048,120 | 2,309,618,698 | 210,095,331 | 60,169 |
| Non-current | - | - | - | - |

**(b) Cash and cash equivalents in statement of cash flows includes:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Cash and bank balances | 4,676,697,063 | 2,311,704,737 | 210,095,331 | 60,169 |
| Cash and bank balances above three months maturity | (275,107,144) | (305,768,539) | - | - |
| | **4,401,589,919** | **2,005,936,198** | **210,095,331** | **60,169** |

Movement in Impairment on Cash and bank balances

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening balance | 2,086,039 | 94,147 | - | - |
| Addition/(Reversal) during the year | 1,562,904 | - | - | - |
| Closing balance | - | 1,991,892 | - | - |
| | **3,648,943** | **2,086,039** | **-** | **-** |

Expected credit losses on Balances held with other banks and Unrestricted balances with Central banks are assessed as immaterial and classified in Stage 1.

### 23 (a) Financial assets at fair value through profit or loss

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Financial assets Fair Value through Profit or Loss: | | | | |
| Bonds - (see note 23(b) below) | 20,208,276 | 16,648,838 | - | - |
| Treasury Bills - (see note 23(c) below) | 33,178,856 | 7,791,115 | - | - |
| Trading Euro Bonds | 6,211,395 | 3,622,871 | - | - |
| Promissory Notes | 4,470 | 3,789 | - | - |
| | **59,602,997** | **28,066,613** | **-** | **-** |

| | | | | |
|---|---|---|---|---|
| Current | 50,005,282 | 13,120,105 | - | - |
| Non-current | 9,597,715 | 14,946,508 | - | - |

### (b) Bonds FVPL are analysed below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| FGN Bond 15.70 21-JUN-2053/30Y | - | 2,427,710 | - | - |
| FGN Sukuk 15.75 13-OCT-2033/10Y | - | 6,206,557 | - | - |
| FGN Bond 14.70 21-JUN-2033/10Y | 793 | 506,147 | - | - |
| FGN Bond 12.50 22-JAN-2026/10Y | - | 2,183,222 | - | - |
| FGN Bond 16.2884 17-MAR-27/10Y | 190,280 | - | - | - |
| FGN Bond 12.50 27-APR-2032/10Y | 78,404 | - | - | - |
| FGN Bond 13.98 23-FEB-2028/10Y | 94,975 | - | - | - |
| FGN Bond 19.00 21-FEB-2034/10Y | 635,606 | - | - | - |
| FGN Bond 18.50 21-FEB-2031/7Y | 2,386,262 | - | - | - |
| FGN SUKUK BOND 15.75% 13 - OCT 2033/10Y | - | 413,118 | - | - |
| FGN BOND 15.45% 21-JUN-2038/15Y | 250,511 | 262,206 | - | - |
| Non-Nigerian trading bonds | 16,571,445 | 4,649,878 | - | - |
| | **20,208,276** | **16,648,838** | **-** | **-** |

(c) **Treasury bills FVPL is analysed below:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| **Nigerian treasury bills' maturities:** | | | | |
| 09-January-2025 | 398 | - | - | - |
| 23-January-2025 | 170 | - | - | - |
| 06-February-2025 | 2,907,865 | - | - | - |
| 20-February-2025 | 7,542,835 | - | - | - |
| 06-March-2025 | 815,588 | - | - | - |
| 27-March-2025 | 2,348,558 | - | - | - |
| 13-March-2025 | 1,466,757 | - | - | - |
| 10-April-2025 | 1,082,148 | - | - | - |
| 24-April-2025 | 336,446 | - | - | - |
| 08-May-2025 | 165,975 | - | - | - |
| 22-May-2025 | 164,796 | - | - | - |
| 05-June-2025 | 64,047 | - | - | - |
| 12-June-2025 | 88,709 | - | - | - |
| 26-June-2025 | 323,907 | - | - | - |
| 10-July-2025 | 301,169 | - | - | - |
| 07-August-2025 | 40,423 | - | - | - |
| 21-August-2025 | 2,398 | - | - | - |
| 25-August-2025 | 1,005,569 | - | - | - |
| 04-September-2025 | 1,252,017 | - | - | - |
| 11-September-2025 | 46,286 | - | - | - |
| 23-September-2025 | 41,255 | - | - | - |
| 25-September-2025 | 310,087 | - | - | - |
| 09-October-2025 | 229,168 | - | - | - |
| 23-October-2025 | 524,187 | - | - | - |
| 06-November-2025 | 175,911 | - | - | - |
| 20-November-2025 | 941 | - | - | - |
| 02-December-2025 | 3,142,780 | - | - | - |
| 04-December-2025 | 443,795 | - | - | - |
| 05-December-2025 | 1,911,297 | - | - | - |
| 09-December-2025 | 782,203 | - | - | - |
| 11-December-2025 | 432,124 | - | - | - |
| 25-January-2024 | - | 36,694 | - | - |
| 08-February-2024 | - | 2,993 | - | - |
| 22-February-2024 | - | 3,857 | - | - |
| 07-March-2024 | - | 158,484 | - | - |
| 14-March-2024 | - | 26,798 | - | - |
| 28-March-2024 | - | 1,289 | - | - |
| 11-April-2024 | - | 7,192 | - | - |
| 25-April-2024 | - | 1,184 | - | - |
| 23-May-2024 | - | 7,459 | - | - |
| 06-June-2024 | - | 19,384 | - | - |
| 13-June-2024 | - | 4,689 | - | - |
| 27-June-2024 | - | 423,284 | - | - |

| | | | | |
|---|---|---|---|---|
| 11-July-2024 | - | 5,569 | - | - |
| 25-July-2024 | - | 4,248 | - | - |
| 06-August-2024 | - | 481 | - | - |
| 22-August-2024 | - | 64,584 | - | - |
| 05-September-2024 | - | 15,701 | - | - |
| 12-September-2024 | - | 1,055,956 | - | - |
| 26-September-2024 | - | 22,292 | - | - |
| 10-October-2024 | - | 3,247,376 | - | - |
| 24-October-2024 | - | 17,288 | - | - |
| 07-November-2024 | - | 861,223 | - | - |
| 21-November-2024 | - | 1,792,827 | - | - |
| 05-December-2024 | - | 6,384 | - | - |
| 12-December-2024 | - | 3,881 | - | - |
| | **33,178,856** | **7,791,115** | **-** | **-** |

### (d) Trading Euro Bonds is analysed below:

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Eurobond 6.125 28-SEP-2028/7Y | 3,533,274 | 2,043,317 | - | - |
| Eurobond 7.375 28-SEP-2033/12Y | 2,678,121 | 1,579,553 | - | - |
| | **6,211,395** | **3,622,871** | **-** | **-** |

## 24 Derivative financial instruments

(a) **Group**
**Dec-2024**

| In thousands of Nigerian Naira | Notional Contract Amount | Fair Value Assets | Fair Value Liability |
|---|---|---|---|
| | | | |
| Foreign Exchange Derivatives: | | | |
| Foreign exchange forward | 307,000,000 | - | (10,759,624) |
| **Derivative liabilities** | **307,000,000** | **-** | **(10,759,624)** |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Notional Contract Amount | Fair Value Assets | Fair Value Liability |
|---|---|---|---|
| | | | |
| Foreign Exchange Derivatives: | | | |
| Foreign exchange forward | 329,280,930 | 28,961,143 | - |
| **Derivative assets** | **329,280,930** | **28,961,143** | **-** |

All derivative assets/(liabilities) are current.

**(b) All derivatives are settled in less than one year.**

**(c) Foreign exchange contracts**

The Group enters into forward foreign exchange contracts which include currency swaps and normal trading forwards designated as held for trading. A forward foreign exchange contract is an agreement by two counterparties to exchange currencies at a pre-determined rate on some future date. No funds change hands when a typical forward foreign exchange contract originates; a funds flow occurs only at the contract's stated future delivery time. Additionally the Group offers its customers derivatives in connection with their risk management objectives to transfer or reduce market risk (commodity price) for their own trading purpose. The hedge transaction with the customer is backed by visible trade transaction. The foreign currency forward and option contracts are subject to the same risk management policies. The Group's foreign exchange derivatives do not qualify for hedge accounting; therefore all gains and losses from changes in their fair values are recognised immediately in the income statement and are reported in 'Net gains/(losses) on financial instruments at fair value through profit or loss'.

## 25 Investment securities

(a) (i)

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Investment securities at fair value through OCI | | | | |
| Debt securities - Treasury bills FVOCI | 1,924,833,290 | 773,458,489 | - | - |
| Debt securities - Bonds FVOCI | 284,100,152 | 42,542,939 | - | - |
| Eurobond | 34,844,415 | 46,384,476 | - | - |
| US Treasury Notes | 248,464,975 | - | - | - |
| Special Bills - FVOCI | - | 1,999,013 | - | - |
| Commercial Paper- FVOCI | - | 27,532,674 | - | - |
| Investment securities - Equity (See note 25(a)(ii) below | 2,159,386 | 1,694,521 | - | - |
| Investment in Mutual Funds | 661,670 | 451,890 | - | - |
| **Total** | **2,495,063,888** | **894,064,002** | **-** | **-** |

**Investment securities at fair value through profit or loss**

| | | | | |
|---|---|---|---|---|
| **Investment securities - Equity** | **5,508,086** | **3,947,850** | **-** | **-** |
| | **5,508,086** | **3,947,850** | **-** | **-** |

**Investment securities at amortised cost:**

| | | | | |
|---|---|---|---|---|
| Bonds | 846,724,950 | 586,551,443 | - | - |
| Treasury bills | 792,020,742 | 450,040,761 | - | - |
| Promissory Note | - | 1,698 | - | - |
| Special Treasury Bills - Amortized Cost | - | 545,381,360 | - | - |
| Eurobonds - Amortized Cost | 24,956,030 | 18,568,542 | - | - |
| Corporate bond | 1,740,736 | 1,360,388 | - | - |
| | 1,665,442,458 | 1,601,904,192 | - | - |
| ECL on Bonds - Amortised Cost | (12,657,506) | (13,917,397) | - | - |
| ECL on Treasury Bills - Amortised Cost | (4,802,877) | (3,873,168) | - | - |
| ECL on Corporate bond - Amortised Cost | (258,022) | (258,022) | - | - |
| ECL on Promissory- Amortised Cost | - | (336) | - | - |
| ECL on Special Treasury Bills - Amortized Cost | - | (12,537,791) | - | - |
| **Total Investment securities at amortised cost** | **1,647,724,053** | **1,571,317,478** | **-** | **-** |
| | | | | |
| **Total investment securities** | **4,148,296,027** | **2,469,329,330** | **-** | **-** |

| | | | | |
|---|---|---|---|---|
| Current | 3,068,214,676 | 2,053,285,329 | - | - |
| Non-current | 1,080,081,351 | 416,044,001 | - | - |

The allowance for ECL relating to Ghana Eurobonds classified as purchased or originated credit-impaired financial (POCI) are immaterial.

**(a) (ii) Equity investment securities is analysed below:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| FVOCI equity instrument | | | | |
| - GIM UEMOA | 36,548 | 22,984 | - | - |
| - SANEF | 50,000 | 50,000 | - | - |
| - Unified Payment Services Limited[1] | 912,468 | 713,804 | - | - |
| - Nigeria Automated Clearing Systems | 994,760 | 778,180 | - | - |
| - Afrexim | 165,610 | 129,553 | - | - |
| | **2,159,386** | **1,694,521** | **-** | **-** |
| FVTPL equity instrument | | | | |
| - Africa Finance Corporation[1] | 5,508,086 | 3,947,850 | - | - |
| | **5,508,086** | **3,947,850** | **-** | **-** |
| | | | | |
| | **7,667,472** | **5,642,371** | **-** | **-** |

[1] Unified Payment Services Limited was formerly known as Valucard Nigeria Plc

Except for African Finance Corporation (AFC) designated as FVPL, all other equity investments are designated at FVOCI.
The Group received dividend income of ₦407,681,000 (Dec 2023: ₦153,508,000) from the equity investments designated at FVOCI during the year.
Kindly refer to Note 6e for the movement in the value of equity securities at fair value during the year.
.

**(b) (i) Impairment on investment securities**

| | | | | |
|---|---|---|---|---|
| ECL on Bonds- FVOCI | 1,615,402 | 1,615,402 | - | - |
| ECL on EuroBonds and US Treasury Notes- FVOCI | 8,748,416 | 5,169,886 | - | - |
| ECL on Treasury Bills- FVOCI | 5,827,153 | 5,831,563 | - | - |
| ECL on Promissory Notes - FVOCI | - | 40,387 | - | - |
| ECL on Commercial Paper - FVOCI | - | 430,403 | - | - |
| ECL on Special Treasury Bills - FVOCI | - | 266,775 | - | - |
| ECL on Bonds - Amortised Cost | 12,657,506 | 13,917,397 | - | - |
| ECL on Treasury Bills - Amortised Cost | 4,802,877 | 3,873,168 | - | - |
| ECL on Corporate Bond - Amortised Cost | 258,022 | 258,022 | - | - |
| ECL on Promissory Note - Amortized Cost | - | 336 | - | - |
| ECL on Special Treasury Bills - Amortized Cost | - | 12,537,791 | - | - |
| | **33,909,376** | **43,941,130** | **-** | **-** |

**(b) (ii) Movement in Impairment on investment securities**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Opening balance | 43,941,130 | 37,699,629 | - | - |
| Exchange difference | 4,144,192 | 1,671,438 | - | - |
| Addition during the year | (14,175,946) | 4,570,063 | - | - |
| **Closing balance** | **33,909,376** | **43,941,130** | **-** | **-** |

## 26 Assets pledged as collateral

| (a)<br>In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Financial assets at FVOCI | | | | |
| - Treasury bills | 114,570,075 | 86,552,701 | - | - |
| | | | | |
| **Total Assets Pledged as Collateral** | **114,570,075** | **86,552,701** | **-** | **-** |

| | | | | |
|---|---|---|---|---|
| Current | 114,570,075 | 86,552,701 | - | - |
| Non-current | - | - | - | - |

(b) Assets pledged as collateral for both periods relate to assets pledged to Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS), Interswitch Nigeria Limited, Unified payment Services Ltd and Bank of Industries Limited for collections and other transactions. The Group is required to pledge the funds in order to have continuous access to the collection and settlement platforms, as well as the underlying transactions. There are no readily determinable associated liabilities to these pledged assets..

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## 27 Loans and advances to banks

| In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Loans and advances to banks | 164,549 | 155,027 | - | - |
| Less Impairment: | | | | |
| Stage 1 Loans | (67) | (92) | - | - |
| Stage 2 Loans | - | - | - | - |
| Stage 3 Loans | (76,688) | (88,000) | - | - |
| | **87,794** | **66,935** | **-** | **-** |

| | | | | |
|---|---|---|---|---|
| Current | 87,794 | 66,935 | - | - |
| Non-current | - | - | - | - |

**Reconciliation of allowance accounts for losses on loans and advances to banks**

**Dec-2024**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| Balance at 1 January 2024 | 92 | - | 88,000 | 88,092 |
| Impairment reversal for the year | (25) | - | (11,312) | (11,337) |
| | **67** | **-** | **76,688** | **76,755** |

**Dec-2023**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| Balance at 1 January 2023 | - | - | 74,672 | 74,672 |
| Impairment reversal for the year | 92 | - | 13,328 | 13,420 |
| | **92** | **-** | **88,000** | **88,092** |

## Reconciliation of allowance accounts for losses on loans and advances to banks

**Group**

| Dec-2024 | Loans | | | | Overdrafts | | | | Others | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
| Balance at 1 January 2024 | - | - | 88,000 | 88,000 | 92 | - | - | 92 | - | - | - | - | 92 | - | 88,000 | 88,092 |
| Impairment allowances for the year | - | - | (11,312) | (11,312) | (25) | - | - | (25) | - | - | - | - | (25) | - | (11,312) | (11,337) |
| **Balance, end of year** | **-** | **-** | **76,688** | **76,688** | **67** | **-** | **-** | **67** | **-** | **-** | **-** | **-** | **67** | **-** | **76,688** | **76,755** |

Group

| **Dec-2023** | **Loans** | | | | **Overdrafts** | | | | **Others** | | | | **Total** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **Impairment on Stage 1 - 12 Months ECL** | **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **Impairment on Stage 3 - Non Performing Loans** | **Total allowance for impairment** | **Impairment on Stage 1 - 12 Months ECL** | **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **Impairment on Stage 3 - Non Performing Loans** | **Total allowance for impairment** | **Impairment on Stage 1 - 12 Months ECL** | **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **Impairment on Stage 3 - Non Performing Loans** | **Total allowance for impairment** | **Impairment on Stage 1 - 12 Months ECL** | **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **Impairment on Stage 3 - Non Performing Loans** | **Total allowance for impairment** |
| Balance at 1 January 2023 | - | - | 1,605 | 1,605 | - | - | 73,067 | 73,067 | - | - | - | - | - | - | 74,672 | 74,672 |
| Impairment allowances for the year | - | - | 86,395 | 86,395 | 92 | - | (73,067) | (72,975) | - | - | - | - | 92 | - | 13,328 | 13,420 |
| **Balance, end of year** | **-** | **-** | **88,000** | **88,000** | **92** | **-** | **-** | **92** | **-** | **-** | **-** | **-** | **92** | **-** | **88,000** | **88,092** |

| 28. Loans and advances to customers<br>In thousands of Nigerian Naira | Group<br>Dec-2024 | Group<br>Dec-2023 | Company<br>Dec-2024 | Company<br>Dec-2023 |
|---|---|---|---|---|
| **Loans to individuals:** | | | | |
| Loans | 398,147,412 | 307,512,525 | - | - |
| Overdrafts | 18,234,655 | 48,079,050 | - | - |
| Others[1] | 125,228 | 145,499 | - | - |
| **Gross loans** | **416,507,295** | **355,737,074** | **-** | **-** |
| Loans | (4,446,191) | (2,745,902) | - | - |
| Overdrafts | (703,625) | (971,967) | - | - |
| **Impairment on Stage 1 - 12 Months ECL** | **(5,149,816)** | **(3,717,869)** | **-** | **-** |
| Loans | (117,828) | (145,553) | - | - |
| Overdrafts | (219,963) | (119,274) | - | - |
| **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **(337,791)** | **(264,827)** | **-** | **-** |
| Loans | (20,184,010) | (2,819,650) | - | - |
| Overdrafts | (2,528,142) | (424,567) | - | - |
| **Impairment on Stage 3 - Non Performing Loans** | **(22,712,152)** | **(3,244,217)** | **-** | **-** |
| Loans | (24,748,029) | (5,711,105) | - | - |
| Overdrafts | (3,451,730) | (1,515,808) | - | - |
| **Total impairment** | **(28,199,759)** | **(7,226,913)** | **-** | **-** |
| Loans | 373,399,383 | 301,801,420 | - | - |
| Overdrafts | 14,782,925 | 46,563,242 | - | - |
| Others[1] | 125,228 | 145,499 | - | - |
| **Carrying amount** | **388,307,536** | **348,510,161** | **-** | **-** |
| | | | | |
| **Loans to Non-individuals:** | | | | |
| Loans | 2,262,103,973 | 2,041,901,031 | - | - |
| Overdrafts | 231,641,584 | 186,127,413 | - | - |
| Others[1] | 9,866,838 | 30,704,276 | - | - |
| **Gross loans** | **2,503,612,395** | **2,258,732,720** | **-** | **-** |
| Loans | (21,953,480) | (10,737,209) | - | - |
| Overdrafts | (10,766,983) | (5,243,323) | - | - |
| Others[1] | (35,267) | (338,653) | - | - |
| **Impairment on Stage 1 - 12 Months ECL** | **(32,755,730)** | **(16,319,185)** | **-** | **-** |
| Loans | (8,368,255) | (49,316,062) | - | - |
| Overdrafts | (495,929) | (1,272,182) | - | - |
| **Impairment on Stage 2 - Life Time ECL Not Credit Impaired** | **(8,864,184)** | **(50,588,244)** | **-** | **-** |
| Loans | (54,278,858) | (41,599,307) | - | - |
| Overdrafts | (10,357,119) | (18,552,777) | - | - |
| **Impairment on Stage 3 - Non Performing Loans** | **(64,635,977)** | **(60,152,084)** | **-** | **-** |
| Loans | (84,600,593) | (101,652,578) | - | - |
| Overdrafts | (21,620,031) | (25,068,282) | - | - |
| Others[1] | (35,267) | (338,653) | - | - |
| **Total impairment** | **(106,255,891)** | **(127,059,513)** | **-** | **-** |
| Loans | 2,177,503,380 | 1,940,248,453 | - | - |
| Overdrafts | 210,021,553 | 161,059,131 | - | - |
| Others[1] | 9,831,571 | 30,365,623 | - | - |
| **Carrying amount** | **2,397,356,504** | **2,131,673,207** | **-** | **-** |
| **Total carrying amount (individual and non individual)** | **2,785,664,040** | **2,480,183,368** | **-** | **-** |

[1] Others include Usances and Usances Settlement

| | | | | |
|---|---|---|---|---|
| **Current** | **1,832,167,194** | **1,667,138,488** | **-** | **-** |
| **Non-current** | **953,496,846** | **813,044,880** | **-** | **-** |

**Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS**
**Dec-2024**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 – 12 Months ECL | Impairment on Stage2 – Life Time ECL Not Credit Impaired | Impairment on Stage 3 – Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| | | | | |
| Balance at 1 January 2024 | 3,717,869 | 264,827 | 3,244,217 | 7,226,913 |
| Foreign currency translation impact | 437,856 | (44,056) | 373,586 | 767,386 |
| Impairment allowances for the year | 994,091 | 117,020 | 19,094,349 | 20,205,460 |
| **Balance, end of year** | **5,149,816** | **337,791** | **22,712,152** | **28,199,759** |

**Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS**
**Dec-2023**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 – 12 Months ECL | Impairment on Stage2 – Life Time ECL Not Credit Impaired | Impairment on Stage 3 – Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| | | | | |
| Balance at 1 January 2023 | 1,428,719 | 165,289 | 23,402,513 | 24,996,521 |
| Foreign currency translation impact | 282,792 | 118,055 | 869,307 | 1,270,154 |
| Impairment allowances for the year | 2,006,358 | (18,517) | (21,027,603) | (19,039,762) |
| Balance, end of the year | 3,717,869 | 264,827 | 3,244,217 | 7,226,913 |
| Financial assets derecognised | - | - | (61,118) | (61,118) |
| Balance, end of the year | 1,428,718 | 165,289 | 23,402,513 | 24,996,520 |

**Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS**

**Dec-2024**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| Balance at 1 January 2024 | 16,319,185 | 50,588,244 | 60,152,084 | 127,059,513 |
| Foreign currency translation impact | 1,361,491 | 131,539,521 | 70,784,273 | 203,685,285 |
| Impairment allowances for the year | 15,075,054 | 91,362,031 | 10,030,771 | 116,467,856 |
| Transfer between stages | - | 70,376,166 | (70,376,166) | - |
| Financial assets derecognised | - | (335,001,778) | (5,954,985) | (340,956,763) |
| **Balance, end of the year** | **32,755,730** | **8,864,184** | **64,635,977** | **106,255,891** |

**Reconciliation of allowance accounts for losses on Loans to NON - INDIVIDUALS**

**Dec-2023**
**Group**

| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
|---|---|---|---|---|
| Balance at 1 January 2023 | 7,662,853 | 22,451,764 | 31,402,984 | 61,517,601 |
| Foreign currency translation impact | 755,832 | (666,975) | 72,588,225 | 72,677,082 |
| Impairment allowances for the year | 7,900,500 | 64,222,288 | 49,856,836 | 121,979,624 |
| Transfer between stages | - | (35,418,833) | 35,418,833 | - |
| Financial assets derecognised | - | - | (129,114,794) | (129,114,794) |
| **Balance, end of the year** | **16,319,185** | **50,588,244** | **60,152,084** | **127,059,513** |

## Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

### Group

| Dec-2024 | Loans | | | | Overdrafts | | | | Others | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
| Balance at 1 January | 2,745,902 | 145,553 | 2,819,650 | 5,711,104 | 971,967 | 119,274 | 424,567 | 1,515,808 | - | - | - | - | 3,717,869 | 264,827 | 3,244,217 | 7,226,913 |
| Foreign currency translation impact | 378,031 | (15,368) | 332,001 | 694,664 | 59,825 | (28,688) | 41,585 | 72,722 | - | - | - | - | 437,856 | (44,056) | 373,586 | 767,386 |
| Impairment allowances for the year | 1,322,258 | (12,357) | 17,032,359 | 18,342,261 | (328,167) | 129,377 | 2,061,990 | 1,863,200 | - | - | - | - | 994,091 | 117,020 | 19,094,349 | 20,205,460 |
| **Balance, end of year** | **4,446,191** | **117,828** | **20,184,010** | **24,748,029** | **703,625** | **219,963** | **2,528,142** | **3,451,730** | **-** | **-** | **-** | **-** | **5,149,816** | **337,791** | **22,712,152** | **28,199,759** |

## Reconciliation of allowance accounts for losses on loans and advances to INDIVIDUALS

## Group

| Dec-2023 | Loans | | | | Overdrafts | | | | Others | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
| Balance at 1 January | 1,175,663 | 71,925 | 13,071,548 | 14,319,135 | 253,055 | 93,364 | 10,330,965 | 10,677,384 | - | - | - | - | 1,428,718 | 165,289 | 23,402,513 | 24,996,520 |
| Foreign currency translation impact | 208,861 | 64,885 | 755,542 | 1,029,288 | 73,931 | 53,171 | 113,765 | 240,867 | - | - | - | - | 282,792 | 118,056 | 869,307 | 1,270,155 |
| Impairment allowances for the year | 1,361,378 | 8,743 | (11,007,440) | (9,637,319) | 644,981 | (27,261) | (10,020,163) | (9,402,443) | - | - | - | - | 2,006,359 | (18,518) | (21,027,603) | (19,039,762) |
| **Balance, end of year** | **2,745,902** | **145,553** | **2,819,650** | **5,711,104** | **971,967** | **119,274** | **424,567** | **1,515,808** | **-** | **-** | **-** | **-** | **3,717,869** | **264,827** | **3,244,217** | **7,226,913** |

## Reconciliation of allowance accounts for losses on loans and advances to NON-INDIVIDUALS
## Group

| Dec-2024 | Loans | | | | Overdrafts | | | | Others | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
| Balance at 1 January | 10,737,209 | 49,316,062 | 41,599,307 | 101,652,578 | 5,243,323 | 1,272,182 | 18,552,777 | 25,068,282 | 338,653 | - | - | 338,653 | 16,319,185 | 50,588,244 | 60,152,084 | 127,059,513 |
| Foreign currency translation impact | 912,496 | 131,514,827 | 71,325,349 | 203,752,672 | 447,529 | 24,694 | (541,076) | (68,853) | 1,466 | - | - | 1,466 | 1,361,491 | 131,539,521 | 70,784,273 | 203,685,285 |
| Impairment allowances for the year | 10,303,775 | 92,162,978 | 17,685,353 | 120,152,106 | 5,076,131 | (800,947) | (7,654,582) | (3,379,398) | (304,852) | - | - | (304,852) | 15,075,054 | 91,362,031 | 10,030,771 | 116,467,856 |
| Transfer between stages | - | 70,376,166 | (70,376,166) | - | - | - | - | - | - | - | - | - | - | 70,376,166 | (70,376,166) | - |
| Financial assets derecognised | - | (335,001,778) | (5,954,985) | (340,956,763) | - | - | - | - | - | - | - | - | - | (335,001,778) | (5,954,985) | (340,956,763) |
| **Balance, end of year** | **21,953,480** | **8,368,255** | **54,278,858** | **84,600,593** | **10,766,983** | **495,929** | **10,357,119** | **21,620,031** | **35,267** | **-** | **-** | **35,267** | **32,755,730** | **8,864,184** | **64,635,977** | **106,255,891** |

## Reconciliation of allowance accounts for losses on loans and advances to NON-INDIVIDUALS

## Group

| Dec-2023 | Loans | | | | Overdrafts | | | | Others | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment | Impairment on Stage 1 - 12 Months ECL | Impairment on Stage 2 - Life Time ECL Not Credit Impaired | Impairment on Stage 3 - Non Performing Loans | Total allowance for impairment |
| Balance at 1 January | 3,965,138 | 18,430,610 | 24,439,836 | 46,835,584 | 2,524,114 | 4,021,154 | 6,961,881 | 13,507,149 | 1,173,601 | - | 1,267 | 1,174,868 | 7,662,853 | 22,451,764 | 31,402,984 | 61,517,601 |
| Foreign currency translation impact | 497,300 | (650,202) | 71,344,043 | 71,191,141 | 242,847 | (16,773) | 1,244,182 | 1,470,256 | 15,685 | - | - | 15,685 | 755,832 | (666,975) | 72,588,225 | 72,677,082 |
| Impairment allowances for the year | 6,274,771 | 66,954,487 | 32,862,382 | 106,091,640 | 2,476,362 | (2,732,199) | 16,995,721 | 16,739,884 | (850,633) | - | (1,267) | (851,900) | 7,900,500 | 64,222,288 | 49,856,836 | 121,979,624 |
| Transfer between stages | - | (35,418,833) | 35,418,833 | - | - | - | - | - | - | - | - | - | - | (35,418,833) | 35,418,833 | - |
| Financial assets derecognised | - | - | (122,465,787) | (122,465,787) | - | - | (6,649,007) | (6,649,007) | - | - | - | - | - | - | (129,114,794) | (129,114,794) |
| Balance, end of year | 10,737,209 | 49,316,062 | 41,599,307 | 101,652,578 | 5,243,323 | 1,272,182 | 18,552,777 | 25,068,282 | 338,653 | - | - | 338,653 | 16,319,185 | 50,588,244 | 60,152,084 | 127,059,513 |

## 29 Investment in subsidiaries

(a) (i) Investment in subsidiaries comprises:

| | Company<br>Dec-2024<br>% ownership | Company<br>Dec-2023<br>% ownership | Company<br>Dec-2024<br>₦'000 | Company<br>Dec-2023<br>₦'000 |
|---|---|---|---|---|
| GTB Nigeria | 100.00 | 100.00 | 346,298,636 | 138,186,703 |
| Habari Pay (Payment Company) | 100.00 | 100.00 | 3,100,000 | 3,100,000 |
| GT Fund Managers | 100.00 | 100.00 | 4,036,560 | 4,036,560 |
| GT Pension Fund Adminstrator | 100.00 | 100.00 | 17,633,297 | 17,633,297 |
| | | | **371,068,493** | **162,956,560** |

GTBank Nigeria Limited has investment in the following subsidiaries:

| | Dec-2024<br>% ownership | Dec-2023<br>% ownership |
|---|---|---|
| GTB Gambia | 77.81 | 77.81 |
| GTB Sierra Leone | 83.74 | 83.74 |
| GTB Ghana | 98.32 | 98.32 |
| GTB UK Limited | 100.00 | 100.00 |
| GTB Liberia Limited | 99.43 | 99.43 |
| GTB Cote D'Ivoire Limited | 100.00 | 100.00 |
| GTB Kenya Limited | 76.90 | 76.90 |
| GTB Tanzania | 76.20 | 76.20 |

(a) (ii) The movement in investment in subsidiaries during the year is as follows:

| **In thousands of Nigerian Naira** | **Company<br>Dec-2024** | **Company<br>Dec-2023** |
|---|---|---|
| | | |
| Balance, beginning of the year | 162,956,560 | 162,956,560 |
| Recognition of investment on transition to Holding Company | 208,111,933 | - |
| Balance, end of the year | 371,068,493 | 162,956,560 |

(a) (iii) Additions in December 2024 financial year relates to:
- Additional investments of ₦208,111,933,000 in GTB Nigeria

(a) (iv) We have taken cognisance of the inflationary environment in Ghana and Sierra Leone which was also alluded to by International Monetary Fund (IMF). In line with IAS 29, we would have been required to account for the HyperInflation in these countries. However, based on our impact assessement on the 2 Subsidiaries, we have not adjusted for the impact of IAS 29 as it does not materially affect the Consolidated Financial Statements of the Group.

Please refer to Note 43 for more information on the Group structure

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 31 Dec 2023, are as follows:

**Full year profit and loss**

**Dec-2024**

| | | West Africa Subsidiaries | | | | | East Africa Subsidiaries | | United Kingdom | Non-Banking Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **GT Bank Nigeria** | **GT Bank Ghana** | **GT Bank Sierra Leone** | **GT Bank Liberia** | **GT Bank Gambia** | **GT Bank Cote D'Ivoire** | **GT Bank Kenya Group** | **GT Bank Tanzania** | **GT Bank UK** | **Habari Pay Ltd** | **Asset Management** | **Pension Fund** | **Staff Investment Trust** |
| Operating income | 1,358,065,630 | 157,997,486 | 44,583,417 | 47,254,516 | 36,755,716 | 52,600,286 | 59,950,942 | 3,516,738 | 51,186,366 | 5,810,692 | 11,177,735 | 3,119,649 | 55,521 |
| Operating expenses | (241,825,112) | (39,493,464) | (18,272,584) | (15,015,233) | (9,746,868) | (11,593,610) | (29,353,130) | (4,512,876) | (29,249,912) | (1,591,519) | (2,425,814) | (1,556,658) | - |
| Loan impairment charges | (113,196,198) | 455,983 | (2,047,186) | (8,499,674) | (118,155) | (2,120,647) | (11,010,120) | (125,981) | - | - | - | - | - |
| **Profit before tax** | **1,003,044,320** | **118,960,005** | **24,263,647** | **23,739,609** | **26,890,693** | **38,886,029** | **19,587,692** | **(1,122,119)** | **21,936,454** | **4,219,173** | **8,751,922** | **1,562,990** | **55,521** |
| Taxation | (168,282,476) | (47,081,573) | (6,065,923) | (4,232,125) | (7,260,478) | (1,557,548) | (6,810,476) | (28,613) | (5,724,172) | (335,603) | (21,347) | - | - |
| **Profit after tax** | **834,761,844** | **71,878,432** | **18,197,724** | **19,507,484** | **19,630,215** | **37,328,481** | **12,777,216** | **(1,150,732)** | **16,212,282** | **3,883,570** | **8,730,574** | **1,562,990** | **55,521** |

**Condensed financial position**

| **Dec-2024** | | West Africa Subsidiaries | | | | | East Africa Subsidiaries | | United Kingdom | Non-Banking Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **GT Bank Nigeria** | **GT Bank Ghana** | **GT Bank Sierra Leone** | **GT Bank Liberia** | **GT Bank Gambia** | **GT Bank Cote D'Ivoire** | **GT Bank Kenya Group** | **GT Bank Tanzania** | **GT Bank UK** | **Habari Pay Ltd** | **Asset Management** | **Pension Fund** | **Staff Investment Trust** |
| **Assets** | | | | | | | | | | | | | |
| Cash and bank balances | 2,611,631,570 | 591,059,617 | 53,621,638 | 140,834,715 | 88,917,024 | 46,570,524 | 210,253,521 | 18,130,798 | 690,387,479 | 2,126,844 | 377,047,760 | 62,934 | 7,228,595 |
| Loans and advances to banks | 87,794 | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans and advances to customers | 2,067,265,755 | 268,786,366 | 9,228,700 | 142,329,654 | 34,167,065 | 44,463,028 | 87,308,824 | 10,861,578 | 121,253,071 | - | - | - | - |
| Financial assets at fair value through profit or loss | 29,618,884 | 16,571,445 | - | - | - | - | - | - | - | - | - | 13,412,668 | - |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investment securities:** | | | | | | | | | | | | | |
| – Fair Value through other comprehensive Income | 1,921,470,601 | - | - | - | 114,329,943 | 36,548 | 182,103,036 | - | 281,970,176 | - | 661,670 | - | 83,938,368 |
| – Held at amortised cost | 1,485,592 | 578,411,337 | 150,608,177 | 154,958,250 | 72,650,097 | 414,040,331 | 124,982,848 | 6,367,117 | - | 6,757,542 | 137,462,763 | - | - |
| Derivative financial assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment in subsidiaries | 62,538,955 | - | - | - | - | - | - | - | - | - | - | - | - |
| Assets pledged as collateral | 85,018,714 | 29,551,361 | - | - | - | - | - | - | - | - | - | - | - |
| Restricted deposits and other assets | 2,625,725,141 | 65,471,104 | 3,318,528 | 35,238,995 | 11,306,416 | 11,892,674 | 14,066,449 | 1,067,097 | 23,814,437 | 1,870,892 | 1,167,953 | 361,165 | - |
| Property and equipment | 205,130,738 | 28,443,024 | 7,573,714 | 16,447,510 | 12,569,725 | 23,491,278 | 20,519,806 | 7,231,261 | 7,216,847 | 96,805 | 6,987 | 369,751 | - |
| Intangible assets | 55,861,865 | 459,261 | 137,854 | 478,920 | 302,794 | 4,001,011 | 415,686 | 334,391 | - | 122,830 | 49,672 | 45,755 | - |
| Deferred tax assets | - | 17,404,029 | 4,998,288 | - | - | - | 6,389,783 | - | 23,119 | - | 61,743 | - | - |
| **Total assets** | **9,665,835,609** | **1,596,157,544** | **229,486,899** | **490,288,044** | **334,243,064** | **544,495,394** | **646,039,953** | **43,992,242** | **1,124,665,129** | **10,974,913** | **516,458,550** | **14,252,272** | **91,166,963** |
| | | | | | | | | | | | | | |
| **Financed by:** | | | | | | | | | | | | | |
| Deposits from banks | 7,169,206 | - | - | - | - | 112,083,283 | 45,955 | 1,629,694 | 634,992,567 | - | - | - | - |
| Deposits from customers | 6,194,786,394 | 1,330,450,716 | 161,878,305 | 428,314,120 | 277,715,563 | 310,283,403 | 417,338,884 | 29,518,013 | 366,177,263 | - | 503,978,516 | - | - |
| Financial liabilities held for trading | 51,174,468 | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivative financial liabilities | 10,759,624 | - | - | - | - | - | - | - | - | - | - | - | - |
| Current income tax liabilities | 172,618,701 | - | 5,917,786 | 3,619,694 | 1,648,980 | - | 2,786,130 | - | - | - | - | 2,476 | - |
| Other liabilities | 854,958,588 | 13,698,059 | 4,776,548 | 8,490,036 | 11,291,883 | 6,979,961 | 70,034,188 | 2,326,810 | 31,742,307 | 897,348 | 1,105,706 | 257,269 | 13,763,258 |
| Other borrowed funds | 309,795,457 | - | - | - | - | - | 225,589 | - | - | - | - | - | - |
| Deferred tax liabilities | 7,237,268 | - | - | 1,008,495 | 136,707 | - | - | - | 337,151 | 84,706 | - | 29,622 | - |
| | **7,608,499,706** | **1,344,148,775** | **172,572,639** | **441,432,345** | **290,793,133** | **429,346,647** | **490,430,746** | **33,474,517** | **1,033,249,288** | **982,053** | **505,084,222** | **289,367** | **13,763,258** |
| Equity and reserve | 2,057,335,903 | 252,008,769 | 56,914,260 | 48,855,699 | 43,449,931 | 115,148,747 | 155,609,207 | 10,517,725 | 91,415,841 | 9,992,860 | 11,374,328 | 13,962,905 | 77,403,705 |
| | | | | | | | | | | | | | |
| | **9,665,835,609** | **1,596,157,544** | **229,486,899** | **490,288,044** | **334,243,064** | **544,495,394** | **646,039,953** | **43,992,242** | **1,124,665,129** | **10,974,913** | **516,458,550** | **14,252,272** | **91,166,963** |

## Condensed cash flow

| Dec-2024 | West Africa Subsidiaries | | | | | | East Africa Subsidiaries | | United Kingdom | Non-Banking Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | GT Bank Nigeria | GT Bank Ghana | GT Bank Sierra Leone | GT Bank Liberia | GT Bank Gambia | GT Bank Cote D'Ivoire | GT Bank Kenya Group | GT Bank Tanzania | GT Bank UK | Habari Pay Ltd | Asset Management | Pension Fund | Staff Investment Trust |
| **Net cash flow:** | | | | | | | | | | | | | |
| - from operating activities | 578,730,294 | 349,401,815 | 54,410,847 | 50,413,119 | 63,529,567 | 103,143,892 | (2,781,221) | (1,111,757) | 198,603,367 | 4,963,108 | 313,689,816 | (7,899,379) | 28,064,398 |
| - from investing activities | (887,643,881) | (14,564,400) | (48,639,614) | (32,793,652) | (20,631,674) | (91,392,259) | 4,514,516 | (3,337,991) | 10,984,327 | (6,806,109) | (3,201,541) | 102,889 | (26,811,096) |
| - from financing activities | 299,087,621 | (32,114,619) | - | - | (12,844,466) | - | (626,335) | - | - | - | - | - | - |
| **Increase in cash and cash equivalents** | **(9,825,966)** | **302,722,796** | **5,771,233** | **17,619,467** | **30,053,427** | **11,751,633** | **1,106,960** | **(4,449,748)** | **209,587,694** | **(1,843,001)** | **310,488,275** | **(7,796,490)** | **1,253,302** |
| Cash balance, beginning of year | 1,354,132,333 | 236,302,190 | 29,686,366 | 72,118,873 | 41,460,013 | 22,091,058 | 102,692,150 | 12,999,125 | 284,347,233 | 3,969,845 | 66,559,485 | 7,859,424 | 5,975,293 |
| Effect of exchange difference | 1,094,523,234 | 63,881,828 | 18,164,039 | 50,761,784 | 17,403,583 | 12,727,833 | 106,440,333 | 9,581,422 | 196,452,551 | - | - | - | - |
| **Cash balance, end of year** | **2,438,829,601** | **602,906,814** | **53,621,638** | **140,500,124** | **88,917,023** | **46,570,524** | **210,239,443** | **18,130,799** | **690,387,478** | **2,126,844** | **377,047,760** | **62,934** | **7,228,595** |

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 Dec 2023, are as follows:

**Profit and loss**
**Dec-2024**

| In thousands of Nigerian Naira | GT Bank Kenya | GT Bank Uganda | GT Bank Rwanda |
|---|---|---|---|
| | | | |
| | | | |
| Operating income | 27,417,369 | 9,887,816 | 22,645,757 |
| Operating expenses | (12,511,031) | (6,605,854) | (10,236,245) |
| Loan impairment charges | (8,165,229) | (3,050,540) | 205,649 |
| | | | |
| **Profit before tax** | **6,741,109** | **231,422** | **12,615,161** |
| Taxation | (2,263,458) | (1,014,773) | (3,532,245) |
| **Profit after tax** | **4,477,651** | **(783,351)** | **9,082,916** |

**Condensed financial position**
**Dec-2024**

| In thousands of Nigerian Naira | GT Bank Kenya | GT Bank Uganda | GT Bank Rwanda |
|---|---|---|---|
| | | | |
| **Assets** | | | |
| Cash and bank balances | 109,921,362 | 27,897,137 | 72,435,022 |
| Loans and advances to customers | 33,339,029 | 19,693,228 | 34,276,567 |
| Investment securities: | | | |
| – Fair Value through other comprehensive Income | 182,103,036 | - | - |
| – Held at amortised cost | 19,838,400 | 36,397,904 | 68,746,544 |
| Assets pledged as collateral | | - | - |
| Restricted deposits and other assets | 5,449,198 | 4,265,656 | 4,351,595 |
| Investment in subsidiaries | 40,093,962 | - | - |
| Property and equipment | 9,441,261 | 4,773,137 | 6,305,408 |
| Intangible assets | 77,669 | 30,647 | 48,337 |
| Deferred tax assets | 2,132,898 | 2,845,568 | 1,411,317 |
| **Total assets** | **402,396,815** | **95,903,277** | **187,574,790** |
| **Financed by:** | | | |
| Deposits from banks | 30,867 | 15,088 | - |
| Deposits from customers | 210,275,108 | 70,854,614 | 136,209,162 |
| Other liabilities | 59,630,636 | 2,229,143 | 8,174,409 |
| Current income tax liabilities | - | - | 2,786,130 |
| Other borrowed funds | - | - | 225,589 |
| Deferred tax liabilities | - | - | - |
| **Total liabilities** | **269,936,611** | **73,098,845** | **147,395,290** |
| Equity and reserve | 132,460,204 | 22,804,432 | 40,179,500 |
| | | | |
| | **402,396,815** | **95,903,277** | **187,574,790** |

**Condensed results of the consolidated entities as at 31 Dec 2023, are as follows:**

| Dec-2023 | West Africa Subsidiaries | | | | | | East Africa Subsidiaries | | United Kingdom | Non-Banking Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | GT Bank Nigeria | GT Bank Ghana | GT Bank Sierra Leone | GT Bank Liberia | GT Bank Gambia | GT Bank Cote D'Ivo-ire | GT Bank Kenya Group | GT Bank Tanzania | GT Bank UK | Habari Pay | Asset Manage-ment | Pension Fund | Staff In-vestment Trust |
| Condensed profit and loss | | | | | | | | | | | | | |
| Operating income | 753,095,390 | 84,418,632 | 11,638,682 | 20,344,184 | 13,930,671 | 20,334,756 | 25,769,903 | 1,792,212 | 22,993,072 | 4,765,918 | 2,984,801 | 2,083,609 | 491,553 |
| Operating expenses | (183,990,845) | (17,210,050) | (5,046,045) | (7,170,429) | (4,890,521) | (4,990,489) | (11,474,637) | (1,702,367) | (11,612,591) | (2,423,420) | (857,381) | (1,081,544) | - |
| Loan impairment charges | (96,492,914) | (1,338,180) | (838,429) | (2,998,900) | (76,036) | (536,913) | (556,276) | (115,633) | - | - | - | - | - |
| **Profit/(loss) before tax** | **472,611,631** | **65,870,402** | **5,754,208** | **10,174,855** | **8,964,114** | **14,807,354** | **13,738,990** | **(25,788)** | **11,380,481** | **2,342,498** | **2,127,420** | **1,002,065** | **491,553** |
| Taxation | (34,279,504) | (23,127,442) | (1,515,445) | (867,595) | (2,422,939) | (705,749) | (3,675,573) | (9,070) | (346,165) | (169,731) | (391,346) | (561,541) | - |
| **Profit/(loss) after tax** | **438,332,127** | **42,742,960** | **4,238,763** | **9,307,260** | **6,541,175** | **14,101,605** | **10,063,417** | **(34,858)** | **11,034,316** | **2,172,767** | **1,736,074** | **440,524** | **491,553** |

## Condensed results of the consolidated entities as at 31 December 2023, are as follows:

| Dec-2023 | | West Africa Subsidiaries | | | | | East Africa Subsidiaries | | United Kingdom | Non-Banking Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | GT Bank Nigeria | GT Bank Ghana | GT Bank Sierra Leone | GT Bank Liberia | GT Bank Gambia | GT Bank Cote D'Ivoire | GT Bank Kenya Group | GT Bank Tanzania | GT Bank UK | Habari Pay | Asset Management | Pension Fund | Staff Investment Trust |
| **Condensed financial position** | | | | | | | | | | | | | |
| **Assets** | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Cash and bank balances | 1,600,954,303 | 236,302,190 | 29,686,366 | 72,118,873 | 41,460,013 | 22,091,058 | 102,692,150 | 12,999,125 | 284,347,233 | 3,969,845 | 66,559,485 | 7,859,424 | 5,975,293 |
| Loans and advances to banks | 66,935 | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans and advances to customers | 2,034,513,828 | 136,709,553 | 8,676,788 | 84,952,666 | 23,135,992 | 35,730,243 | 83,516,626 | 6,228,477 | 66,719,196 | - | - | - | - |
| Derivative financial assets | 28,961,143 | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial assets at fair value through profit or loss | 19,103,705 | 4,649,878 | - | - | - | - | - | - | - | - | - | 4,313,031 | - |
| Investment securities: | | | | | | | | | | | | | |
| – Fair Value through other comprehensive Income | 586,454,091 | - | - | - | 69,722,888 | 22,984 | 65,930,055 | - | 175,429,944 | - | 451,890 | - | 57,071,751 |
| – Held at amortised cost | 534,564,450 | 421,185,148 | 67,095,059 | 70,709,225 | 44,290,809 | 208,971,330 | 87,179,637 | 2,902,841 | - | - | 134,418,979 | - | - |
| Investment in subsidiaries | 62,538,955 | - | - | - | - | - | - | - | - | - | - | - | - |
| Assets pledged as collateral | 73,400,983 | 11,974,997 | - | - | - | - | 1,176,721 | - | - | - | - | - | - |
| Restricted deposits and other assets | 1,822,886,075 | 22,069,352 | 4,229,803 | 13,615,721 | 841,913 | 10,433,433 | 8,807,455 | 905,432 | 13,792,765 | 2,507,614 | 128,923,314 | 351,785 | - |
| Property and equipment | 172,453,464 | 11,076,484 | 2,326,487 | 8,890,535 | 5,702,243 | 8,336,300 | 7,490,793 | 2,971,752 | 3,691,623 | 84,767 | 367 | 475,687 | - |
| Intangible assets | 12,006,377 | 320,034 | 136,679 | 385,522 | 182,208 | 66,635 | 457,027 | 224,588 | - | 165,999 | 54,188 | 42,708 | - |
| Deferred tax assets | - | 12,726,265 | 989,965 | - | - | - | 3,410,870 | - | 1,097,013 | - | 61,742 | - | - |
| **Total assets** | **6,947,904,309** | **857,013,901** | **113,141,147** | **250,672,542** | **185,336,066** | **285,651,983** | **360,661,334** | **26,232,215** | **545,077,774** | **6,728,226** | **330,469,965** | **13,042,635** | **63,047,044** |

**Financed by:**

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits from banks | 7,645,080 | - | - | - | - | 49,091,378 | 139,711 | - | 250,544,386 | - | - | - | - |
| Deposits from customers | 5,258,962,005 | 688,087,673 | 86,561,262 | 220,411,402 | 153,652,221 | 175,636,596 | 261,065,146 | 18,372,056 | 226,877,742 | - | 327,297,771 | - | - |
| Financial liabilities held for trading | 809,342 | - | - | - | - | - | - | - | - | - | - | - | - |
| Current income tax liabilities | 36,414,385 | - | - | 810,115 | 989,876 | - | 2,525,032 | - | - | - | 249,504 | 225,745 | - |
| Other liabilities | 417,525,131 | 11,464,276 | 1,727,158 | 8,123,170 | 2,504,586 | 6,009,670 | 15,544,673 | 1,274,614 | 18,717,405 | 579,132 | 338,718 | 181,028 | 9,401,874 |
| Other borrowed funds | 71,702,608 | - | - | - | - | - | 416,877 | - | - | - | - | - | - |
| Deferred tax liabilities | 16,709,957 | - | - | 583,272 | 10,439 | - | - | - | 21,940 | 39,802 | - | 29,622 | - |
| **Total liabilities** | **5,809,768,508** | **699,551,949** | **88,288,420** | **229,927,959** | **157,157,122** | **230,737,644** | **279,691,439** | **19,646,670** | **496,161,473** | **618,934** | **327,885,992** | **436,395** | **9,401,874** |
| Equity and reserve | 1,138,135,801 | 157,461,952 | 24,852,727 | 20,744,583 | 28,178,944 | 54,914,339 | 80,969,895 | 6,585,545 | 48,916,301 | 6,109,292 | 2,583,973 | 12,606,240 | 53,645,170 |
| | 6,947,904,309 | 857,013,901 | 113,141,147 | 250,672,542 | 185,336,066 | 285,651,983 | 360,661,334 | 26,232,215 | 545,077,774 | 6,728,226 | 330,469,965 | 13,042,635 | 63,047,044 |
| | **5,208,576,833** | **383,836,198** | **51,101,263** | **109,691,920** | **82,455,115** | **104,688,102** | **203,168,516** | **13,426,802** | **350,031,334** | **4,071,119** | **68,884,822** | **12,013,508** | **34,869,465** |

| **Dec-2023** | **West Africa Subsidiaries** | | | | | | **East Africa Subsidiaries** | | **United Kingdom** | **Non-Banking Subsidiaries** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **In thousands of Nigerian Naira** | **GT Bank Nigeria** | **GT Bank Ghana** | **GT Bank Sierra Leone** | **GT Bank Liberia** | **GT Bank Gambia** | **GT Bank Cote D'Ivoire** | **GT Bank Kenya Group** | **GT Bank Tanzania** | **GT Bank UK** | **Habari Pay** | **Asset Management** | **Pension Fund** | **Staff Investment Trust** |
| **Condensed cash flow** | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| **Net cash flow:** | | | | | | | | | | | | | |
| - from operating activities | 234,872,523 | 337,907,489 | 26,477,463 | 39,356,388 | 26,291,733 | 60,928,374 | 74,936,950 | 3,224,942 | (177,118,970) | 641,508 | 132,914,743 | (3,000,014) | 27,686,026 |
| - from investing activities | (367,345,419) | (257,328,054) | (24,287,507) | (12,941,471) | (18,159,684) | (57,522,110) | (47,708,158) | 353,949 | (52,217,482) | (10,446) | (16,251) | (134,917,754) | (24,169,080) |
| - from financing activities | (159,964,009) | - | - | - | - | - | (1,645,474) | - | - | - | - | - | - |
| | | | | | | | | | | | | | |
| Increase/(decrease) in cash and cash equivalents | (292,436,905) | 80,579,435 | 2,189,956 | 26,414,917 | 8,132,049 | 3,406,264 | 25,583,318 | 3,578,891 | (229,336,452) | 631,062 | 132,898,492 | (137,917,768) | 3,516,946 |
| | | | | | | | | | | | | | |
| Cash balance, beginning of year | 1,140,424,271 | 95,748,106 | 16,012,503 | 22,414,132 | 18,111,893 | 9,806,647 | 48,297,811 | 5,129,128 | 245,790,439 | 3,338,783 | 68,177,716 | 11,260,469 | 2,458,347 |
| Effect of exchange difference | 506,144,967 | 41,580,365 | 11,550,016 | 24,052,124 | 15,225,567 | 8,878,147 | 28,807,032 | 4,291,105 | 267,893,245 | - | - | - | - |
| | | | | | | | | | | | | | |
| **Cash balance, end of year** | **1,354,132,333** | **217,907,906** | **29,752,475** | **72,881,173** | **41,469,509** | **22,091,058** | **102,688,161** | **12,999,124** | **284,347,232** | **3,969,845** | **201,076,208** | **(126,657,299)** | **5,975,293** |

Condensed results of the consolidated entities of the GT Bank Kenya Group as at 31 December 2023, are as follows:

**Profit and loss**
**Dec-2023**

| In thousands of Nigerian Naira | GT Bank Kenya | GT Bank Uganda | GT Bank Rwanda |
|---|---|---|---|
| | | | |
| | | | |
| Operating income | 11,934,724 | 3,941,321 | 9,856,792 |
| Operating expenses | (4,505,166) | (2,850,447) | (4,831,594) |
| Loan impairment charges | (977,983) | 16,421 | 405,286 |
| | | | |
| **Profit before tax** | **6,451,575** | **1,107,295** | **5,430,484** |
| Taxation | (1,544,578) | (446,006) | (1,684,989) |
| **Profit after tax** | **4,906,997** | **661,289** | **3,745,495** |

**Condensed financial position**
**Dec-2023**

| In thousands of Nigerian Naira | GT Bank Kenya | GT Bank Uganda | GT Bank Rwanda |
|---|---|---|---|
| | | | |
| **Assets** | | | |
| Cash and cash equivalents | 28,194,132 | 16,686,170 | 57,811,848 |
| Loans and advances to customers | 37,998,415 | 13,870,404 | 31,647,807 |
| Investment securities: | | | |
| – Fair Value through other comprehensive Income | 65,930,055 | - | - |
| – Held at amortised cost | 16,219,773 | 23,976,596 | 46,983,268 |
| Assets pledged as collateral | - | 1,176,721 | - |
| Other assets | 3,411,154 | 2,466,835 | 2,929,466 |
| Investment in subsidiaries | 19,619,414 | - | - |
| Property and equipment | 2,542,436 | 1,537,096 | 3,411,261 |
| Intangible assets | 120,036 | 130,330 | 192,245 |
| Deferred tax assets | 1,044,456 | 1,656,612 | 709,802 |
| **Total assets** | **175,079,871** | **61,500,764** | **143,685,697** |

**Financed by:**

| | | | |
|---|---|---|---|
| Deposits from banks | 107,913 | 31,798 | - |
| Deposits from customers | 108,812,937 | 45,892,233 | 106,359,976 |
| Current income tax liabilities | - | - | 2,525,032 |
| Other liabilities | 7,296,385 | 1,832,243 | 6,416,045 |
| Deferred tax liabilities | - | - | - |
| Other borrowed funds | - | - | 416,877 |
| Total liabilities | 116,217,235 | 47,756,274 | 115,717,930 |
| Equity and reserve | 58,862,636 | 13,744,490 | 27,967,767 |
| | | | |
| | **175,079,871** | **61,500,764** | **143,685,697** |

## 30 Property and equipment and Right of use assets
## (a) Group

**Cost**

| In thousands of Nigerian Naira | Leasehold improvement and buildings[1] | ROU Assets[3] | Furniture & equipment | Motor vehicle | Capital work-in - progress[2] | Total |
|---|---|---|---|---|---|---|
| | | | | | | |
| Balance at 1 January 2024 | 168,845,262 | 54,874,874 | 131,836,030 | 21,910,162 | 11,072,598 | 388,538,926 |
| Exchange difference | 19,082,966 | 10,199,080 | 24,333,975 | 4,711,472 | 3,211,186 | 61,538,679 |
| Additions | 4,755,562 | 1,765,326 | 67,355,193 | 5,837,232 | 50,366,837 | 130,080,150 |
| Disposals | (8,825) | (809,488) | (4,846,580) | (1,648,752) | - | (7,313,645) |
| Transfers | 4,033,120 | 73,750 | 1,294,448 | 469,348 | (5,870,666) | - |
| **Balance at 31 December 2024** | **196,708,085** | **66,103,542** | **219,973,066** | **31,279,462** | **58,779,955** | **572,844,110** |
| | | | | | | |
| Balance at 1 January 2023 | 143,453,110 | 46,010,683 | 156,667,588 | 16,075,926 | 10,558,075 | 372,765,382 |
| Exchange difference | 14,313,662 | 5,501,473 | 15,564,277 | 2,985,117 | 1,856,194 | 40,220,723 |
| Additions | 8,356,499 | 3,362,718 | 21,864,022 | 2,547,131 | 5,489,950 | 41,620,320 |
| Disposals | (99,659) | - | (64,753,467) | (1,214,373) | - | (66,067,499) |
| Transfers | 2,821,650 | - | 2,493,610 | 1,516,361 | (6,831,621) | - |
| **Balance at 31 December 2023** | **168,845,262** | **54,874,874** | **131,836,030** | **21,910,162** | **11,072,598** | **388,538,926** |

All Property and equipment are non-current.

[1] Of this amount as at December 2024, Leasehold improvement accounts for ₦45,713,363,000 (23.24%) while Buildings accounts for ₦150,994,722,000 (76.76%)
[2] Capital work in progess refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.
[3] ROU Assets include Land and Prepaid Rent on Land and Building.

**Property and equipment and Right of use assets (continued)**

**Group**

**Accumulated Depreciation**

| In thousands of Nigerian Naira | Leasehold improvement and buildings | ROU Assets | Furniture & equipment | Motor vehicle | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 43,183,186 | 17,489,205 | 88,374,096 | 15,193,787 | - | 164,240,274 |
| Exchange difference | 9,651,755 | 3,584,782 | 19,759,627 | 2,873,862 | - | 35,870,026 |
| Charge for the year | 5,013,163 | 5,499,609 | 35,260,952 | 4,001,968 | - | 49,775,692 |
| Disposal | (4,592) | (809,488) | (4,841,084) | (1,618,767) | - | (7,273,931) |
| **Balance at 31 December 2024** | **57,843,512** | **25,764,108** | **138,553,591** | **20,450,850** | **-** | **242,612,061** |
| | | | | | | |
| Balance at 1 January 2023 | 32,847,652 | 9,965,860 | 120,237,945 | 11,853,441 | - | 174,904,898 |
| Exchange difference | 6,105,397 | 1,864,791 | 13,814,038 | 2,149,638 | - | 23,933,864 |
| Charge for the year | 4,329,795 | 5,658,554 | 19,073,184 | 2,339,073 | - | 31,400,606 |
| Disposal | (99,658) | - | (64,751,071) | (1,148,365) | - | (65,999,094) |
| **Balance at 31 December 2023** | **43,183,186** | **17,489,205** | **88,374,096** | **15,193,787** | **-** | **164,240,274** |
| | | | | | | |
| **Carrying amounts:** | | | | | | |
| **Balance at 31 December 2024** | 138,864,573 | 40,339,434 | 81,419,475 | 10,828,612 | 58,779,955 | 330,232,049 |
| **Balance at 31 December 2023** | **125,662,076** | **37,385,669** | **43,461,934** | **6,716,375** | **11,072,598** | **224,298,652** |

**Property and equipment and Right of use assets (continued)**

**(b) Company**

**Cost**

| In thousands of Nigerian Naira | Leasehold improvement and buildings | ROU Assets | Furniture & equipment | Motor vehicle | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 154,083 | 443,238 | 420,514 | - | - | 1,017,835 |
| Additions | - | - | 456,185 | - | - | 456,185 |
| **Balance at 31 December 2024** | **154,083** | **443,238** | **876,699** | **-** | **-** | **1,474,020** |
| Balance at 1 January 2023 | 154,083 | 443,238 | 420,514 | - | - | 1,017,835 |
| **Balance at 31 December 2023** | **154,083** | **443,238** | **420,514** | **-** | **-** | **1,017,835** |

All Property and equipment are non-current.

**Property and equipment and Right of use assets(continued)**
**Company**
**Accumulated Depreciation**

| In thousands of Nigerian Naira | Leasehold improvement and buildings | ROU Assets | Furniture & equipment | Motor vehicle | Capital work-in - progress | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 10,793 | 7,855 | 200,917 | - | - | 219,565 |
| Charge for the year | 4,842 | 7,297 | 107,588 | - | - | 119,727 |
| **Balance at 31 December 2024** | **15,635** | **15,152** | **308,505** | **-** | **-** | **339,292** |
| | | | | | | |
| | | | | | | |
| Balance at 1 January 2023 | 6,327 | 1,122 | 116,462 | - | - | 123,911 |
| Charge for the year | 4,466 | 6,733 | 84,455 | - | - | 95,654 |
| **Balance at 31 December 2023** | **10,793** | **7,855** | **200,917** | **-** | **-** | **219,565** |
| | | | | | | |
| **Carrying amounts:** | | | | | | |
| **Balance at 31 Decemeber 2024** | **138,448** | **428,086** | **568,194** | **-** | **-** | **1,134,728** |
| **Balance at 31 December 2023** | **143,290** | **435,383** | **219,597** | **-** | **-** | **798,270** |

## 31 Intangible assets

### (a) Group

| In thousands of Nigerian Naira | Goodwill | Purchased Software | Total |
|---|---|---|---|
| **Cost** | | | |
| Balance at 1 January 2024 | 19,160,832 | 43,567,679 | 62,728,511 |
| Exchange translation differences | 132,284 | 9,424,913 | 9,557,197 |
| Additions | - | 55,196,356 | 55,196,356 |
| **Balance at 31 December 2024** | **19,293,116** | **108,188,948** | **127,482,064** |
| | | | |
| Balance at 1 January 2023 | 19,115,779 | 40,273,538 | 59,389,317 |
| Exchange translation differences | 45,053 | 5,383,684 | 5,428,737 |
| Additions | - | 10,978,926 | 10,978,926 |
| Derecognition | - | (13,068,469) | (13,068,469) |
| **Balance at 31 December 2023** | **19,160,832** | **43,567,679** | **62,728,511** |
| | | | |
| **Amortisation and impairment losses** | | | |
| | | | |
| Balance at 1 January 2024 | - | 29,652,473 | 29,652,473 |
| Exchange translation differences | - | 8,328,345 | 8,328,345 |
| Amortisation for the year | - | 8,257,133 | 8,257,133 |
| **Balance at 31 December 2024** | **-** | **46,237,951** | **46,237,951** |
| | | | |
| Balance at 1 January 2023 | - | 29,977,419 | 29,977,419 |
| Exchange translation differences | - | 5,048,682 | 5,048,682 |
| Amortisation for the year | - | 7,694,837 | 7,694,837 |
| Derecognition | - | (13,068,465) | (13,068,465) |
| **Balance at 31 December 2023** | **-** | **29,652,473** | **29,652,473** |
| | | | |
| **Carrying amounts:** | | | |
| | | | |
| **Balance at 31 December 2024** | **19,293,116** | **61,950,997** | **81,244,113** |
| **Balance at 31 December 2023** | **19,160,832** | **13,915,206** | **33,076,038** |

All intangible assets are non-current.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2024 (December 2023: nil).

**(c) Impairment testing for cash-generating units containing Goodwill**

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

Goodwill is allocated to the Cash Generating Units (CGUs) as shown below:

| In thousands of Nigerian Naira | Dec-24 | Dec-23 |
|---|---|---|
| Cash Generating Units – Banking Subsidiaries | | |
| Rest of West Africa: | | |
| - Corporate Banking | 176,747 | 77,613 |
| - Commercial Banking | 11,339 | 5,856 |
| - Retail Banking | 51,938 | 24,271 |
| East Africa: | | |
| - Corporate Banking | 6,589,354 | 6,446,213 |
| - Commercial Banking | 422,748 | 486,390 |
| - Retail Banking | 1,936,330 | 2,015,829 |
| | **9,188,455** | **9,056,171** |

| In thousands of Nigerian Naira | Dec-24 | Dec-23 |
|---|---|---|
| **Cash Generating Units - Non - Banking Subsidiaries** | | |
| **Nigeria:** | | |
| - GTFund Manager | 3,617,403 | 3,617,403 |
| - GTPensions | 6,487,258 | 6,487,258 |
| | 10,104,661 | 10,104,661 |

No impairment loss on goodwill was recognised for the period ended 31 December 2024 (31 December 2023: nil).

The recoverable amounts for the CGUs have been determined based on value-in-use calculations, using cash flow projections covering a five-year period and appropriate discount rates.

**Cash Flow Forecasts**

The cash flow projections are based on future cash flows and the 5-year business plan appropriately approved by senior management. Cash flows to perpetuity were estimated using a 10-year average growth of GDP in the countries where the subsidiaries operate; 5.15per cent and 6.25 per cent for CGUs in West Africa and East Africa regions respectively and 3.3% in Nigeria. The constant growth rates are based on the long- term forecast of GTBank's growth in the countries in which the CGU's operate, centred on past performance, current industry trend and management's expectations of market development. The forecast period is based on the Group's medium to long term perspective with respect to the operations of these units.

**Valuation Assumptions and Other Disclosures**

For each of the CGUs to which the goodwill was allocated, the key assumptions used in Value-in-use calculations are as follows:

In the East Africa Region, the recoverable amount was derived as its the value in use which was determined by discounting the projected cash flows generated by the segments in the region with the weighted discount rate of 28.95% derived using CAPM approach. It would require over ₦35.98bn reduction in the recoverable amount of the most vulnerable CGU (East Africa – Commercial) before goodwill allocated to the identified CGU can be assumed impaired. In other words, a 1704 basis points increase in the discount factor will make the recoverable amount of the East Africa region Commercial segment equal to its carrying amount.

**2024-Key Assumptions**

| | West Africa | | | East Africa | | | Nigeria | |
|---|---|---|---|---|---|---|---|---|
| | Corporate | Commercial | Retail | Corporate | Commercial | Retail | GT Fund Manager | GT Pension |
| Revenue Growth Rate (%) | 37.50% | 38.50% | 39.00% | 12.14% | 11.64% | 12.24% | 37.61% | 45.83% |
| Operating Income Growth Rate (%) | 40.02% | 40.52% | 42.02% | 23.00% | 22.50% | 24.50% | 70.65% | 45.83% |
| Other Operating Costs (#'Million) | 186,120 | 11,941 | 54,693 | 16,533 | 1,061 | 4,858 | 3,255 | 2,133 |
| Capital Expenditure (#'Million) | 41,496 | 2,662 | 12,194 | (293) | (19) | (86) | 7 | 203 |
| Recoverable Amount (#'Million) | 952,706 | 61,122 | 279,960 | 151,063 | 9,692 | 44,391 | 138,526 | 37,731 |
| | | | | | | | | |
| Long Term Growth Rate (%) | 15%- 20% | 15%- 20% | 15%- 20% | 5%- 10% | 5%- 10% | 5%- 10% | 20%-25% | 35%- 40% |
| Discount Rate (%) | 40.07% | 40.07% | 40.07% | 28.95% | 28.95% | 28.95% | 37.37% | 21.80% |

**2023-Key Assumptions**

| | West Africa | | | East Africa | | | Nigeria | |
|---|---|---|---|---|---|---|---|---|
| | Corporate | Commercial | Retail | Corporate | Commercial | Retail | GT Fund Manager | GT Pension |
| Revenue Growth Rate (%) | 15.86% | 16.86% | 17.36% | 22.63% | 22.13% | 22.73% | 14.75% | 41.07% |
| Operating Income Growth Rate (%) | 18.40% | 18.90% | 20.40% | 26.13% | 25.63% | 27.63% | 28.45% | 41.07% |
| | | | | | | | | |
| Other Operating Costs (₦'Million) | 27,667 | 2,088 | 8,652 | 8,616 | 650 | 2,694 | 1,505 | 1,248 |
| Capital Expenditure (₦'Million) | 5,367 | 405 | 1,678 | 2,028 | 153 | 634 | 4 | 156 |
| | | | | | | | | |
| Recoverable Amount (₦'Million) | 210,091 | 15,852 | 65,699 | 73,918 | 5,577 | 23,115 | 21,625 | 19,224 |
| | | | | | | | | |
| Long Term Growth Rate (%) | 15%- 20% | 15%- 20% | 15%- 20% | 5%- 10% | 5%- 10% | 5%- 10% | 20%-25% | 35%- 40% |
| Discount Rate (%) | 46.97% | 46.97% | 46.97% | 32.56% | 32.56% | 32.56% | 23.76% | 29.90% |

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

## 32 Deferred tax assets and liabilities

**Deferred tax assets and liabilities are attributable to the following:**

**Group**
**Deferred tax assets**
**Dec-2024**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| Property and equipment, and software | 10,879,416 | - | 10,879,416 | 5,770,450 | - |
| Allowances for loan losses/Fraud loss provision | 17,791,481 | - | 17,791,481 | 4,676,335 | - |
| Revaluation gain and Other assets | 206,065 | - | 206,065 | 78,612 | - |
| Net deferred tax assets | 28,876,962 | - | 28,876,962 | 10,525,397 | - |
| **Net deferred tax assets/(liabilities)** | **18,285,854** | **-** | **18,285,854** | **7,237,045** | **-** |

**Group**
**Deferred tax assets**
**Dec-2023**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| Property and equipment, and software | 5,108,966 | - | 5,108,966 | 1,813,783 | - |
| Allowances for loan losses/Fraud loss provision | 13,115,146 | - | 13,115,146 | 5,521,608 | - |
| Revaluation gain and Other assets | 61,742 | - | 61,742 | (76,368) | - |
| Net deferred tax assets | 18,285,854 | - | 18,285,854 | 7,237,045 | - |
| **Net deferred tax assets/(liabilities)** | **10,983,098** | **-** | **10,983,098** | **7,729,450** | **-** |

**Group**
**Deferred tax liabilities**
**Dec-2024**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| Property and equipment, and software | - | 43,811,883 | 43,811,883 | 15,692,699 | - |
| Fair value reserves | - | 508,374 | 508,374 | (1,281,185) | (5,506,347) |
| Allowances for loan losses | (9,469,685) | - | (9,469,685) | (4,606,624) | - |
| Defined benefit obligation/actuarial loss | (1,262,636) | - | (1,262,636) | (3,068,432) | 2,342,022 |
| Revaluation loss/(gain) and other assets | (24,619,923) | 94,373,957 | 69,754,034 | (15,394,928) | 55,033,857 |
| **Net deferred tax (assets)/liabilities** | **(35,352,244)** | **138,694,214** | **103,341,970** | **(8,658,470)** | **51,869,532** |

**Company**
**Deferred tax liabilities**
**Dec-2024**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| Property and equipment, and software | - | 134,065 | 134,065 | 77,620 | - |
| **Net deferred tax liabilities** | **-** | **134,065** | **134,065** | **77,620** | **-** |

## 32 Deferred tax assets and liabilities

**Deferred tax assets and liabilities are attributable to the following:**

**Group**
**Deferred tax assets**
**Dec-2023**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| | | | | | |
| Property and equipment, and software | - | 27,797,697 | 27,797,697 | 6,371,952 | - |
| Fair value reserves | - | 7,233,101 | 7,233,101 | 5,103,776 | 3,168,510 |
| Allowances for loan losses | (4,863,061) | - | (4,863,061) | 3,479,788 | - |
| Defined benefit obligation/actuarial loss | (536,226) | - | (536,226) | (1,975,306) | 1,686,771 |
| Revaluation loss/(gain) and other assets | (12,224,617) | 42,274,011 | 30,049,394 | (12,986,322) | 42,530,743 |
| **Net deferred tax (assets)/liabilities** | **(17,623,904)** | **77,304,809** | **59,680,905** | **(6,112)** | **47,386,024** |

**Company**
**Deferred tax liabilities**
**Dec-2023**

| In thousands of Nigerian Naira | Assets | Liabilities | Net | Income statement | OCI |
|---|---|---|---|---|---|
| Property and equipment, and software | - | 11,862 | 11,862 | - | - |
| **Net deferred tax liabilities** | **-** | **11,862** | **11,862** | **-** | **-** |

## 33 Restricted deposits and other assets

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Prepayments (See note 33(iii) below) | 173,584,638 | 65,957,321 | - | - |
| Accounts Receivable[1] | 126,399,714 | 181,855,979 | 250,238,501 | - |
| Stocks | 1,837,031 | 2,477,259 | - | - |
| Foreign Banks - cash collateral (See note 33(iv) below) | 242,929,712 | 62,556,044 | - | - |
| Restricted deposits with central banks (See note 33(i) below) | 1,964,213,386 | 1,646,506,036 | - | - |
| Contribution to AGSMEIS (See note 34(ii) below) | 54,991,740 | 54,991,740 | - | - |
| Recognised assets for defined benefit obligations (See note 38) | 36,305,062 | 24,218,604 | - | - |
| | 2,600,261,283 | 2,038,562,983 | 250,238,501 | - |
| Impairment on other financial assets (See note 33(v) below) | (26,176,629) | (25,747,637) | - | - |
| | **2,574,084,654** | **2,012,815,346** | **250,238,501** | **-** |

| | | | | |
|---|---|---|---|---|
| Current | 2,535,942,561 | 1,986,119,483 | 250,238,501 | - |
| Non-current | 38,142,093 | 26,695,863 | - | - |

[1]Account receivable for the company in the sum of ₦250,238,501,000 relates to Dividend Receivable from Guaranty Trust Bank Limited.

(i) Restricted deposits with central banks comprises of restricted deposits with central banks not available for use in the Group's day-to-day operations. The GTBank Nigeria had restricted balances of ₦1,963,565,533,000 with the Central Bank of Nigeria (CBN) as at 31 December 2024 (December 2023: ₦1,646,348,063,000). This balance is CBN cash reserve requirement. The cash reserve ratio represents a mandatory total Naira deposits which should be held with the Central Bank of Nigeria as a regulatory requirement.

(ii) This represents contribution to Agri-Business/Small and Medium Enterprises Investment Scheme aimed at supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. It is an initiative of the Bankers' Committee in which Banks are required to set aside 5% of their Profit After Tax for investment in qualified players. The fund is domiciled with the Central Bank of Nigeria.

(iii) This relates to Prepaid property and equipments and other prepaid expenses

(iv) This relates to cash collateral for trade transactions

(iv) Movement in impairment of other financial assets:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Opening Balance | 25,747,637 | 268,669 | - | - |
| (Reversal)/charge for the year | 428,992 | 25,478,968 | - | - |
| Closing Balance | | | | |
| | **26,176,629** | **25,747,637** | **-** | **-** |

## 34 Deposits from banks

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Money market deposits | 112,094,453 | 49,121,466 | - | - |
| Other deposits from banks | 276,325,791 | 86,931,943 | - | - |
| | **388,420,244** | **136,053,409** | **-** | **-** |
| | | | | |
| Current | 388,420,244 | 136,053,409 | - | - |
| Non-current | - | - | - | - |

## 35 Deposits from customers

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| **Retail customers:** | | | | |
| Term deposits | 742,627,683 | 517,940,937 | - | - |
| Current deposits | 1,921,937,346 | 1,280,221,534 | - | - |
| Savings | 2,569,221,110 | 2,120,455,235 | - | - |
| | | | | |
| **Corporate customers:** | | | | |
| Term deposits | 518,891,012 | 328,145,811 | - | - |
| Current deposits | 4,260,344,255 | 3,164,070,673 | - | - |
| | **10,013,021,406** | **7,410,834,190** | **-** | **-** |
| | | | | |
| Current | 10,008,328,436 | 7,398,937,749 | - | - |
| Non-current | 4,692,970 | 11,896,441 | - | - |

## 36 Financial liabilities at fair value through profit or loss

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Bond short positions | 51,174,468 | 589,122 | - | - |
| Treasury bills short positions | - | 220,220 | - | - |
| | **51,174,468** | **809,342** | **-** | **-** |
| | | | | |
| Current | 51,174,468 | 809,342 | - | - |
| Non-current | - | - | - | - |

## 37 Other liabilities

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Cash settled share based payment liability (Note 37(c)) | 13,763,258 | 9,401,874 | - | - |
| Lease liabilities (Note 37(f)) | 21,276,324 | 11,417,411 | - | - |
| Liability for defined contribution obligations (Note 37(a)) | 2,137,127 | 1,240,914 | - | - |
| Deferred income on financial guarantee contracts | 811,683 | 543,253 | - | - |
| Litigation claims provision (Note 37(d)) | 10,910,317 | 9,333,463 | - | - |
| Certified cheques | 14,892,666 | 11,248,125 | - | - |
| Provision for restoration cost | 279,116 | 306,396 | - | - |
| Customers' deposit for foreign trade (Note 37(b)) | 483,842,372 | 118,438,562 | - | - |
| Customers' escrow balances | 49,032,323 | 79,863,107 | - | - |
| Account payables | 170,809,028 | 102,152,375 | 221,146,675 | 16,433,941 |
| Creditors and agency services | 146,222,730 | 82,405,798 | 32,750 | 50,000 |
| Customers deposit for shares of other Corporates | 25,165,313 | 959,328 | - | - |
| Impairment on contingents (Note 37(e)) | 81,142,794 | 66,015,319 | - | - |
| | **1,020,285,051** | **493,325,925** | **221,179,425** | **16,483,941** |
| Current | 887,154,351 | 389,140,376 | 221,179,425 | 16,483,941 |
| Non-current | 133,130,700 | 104,185,549 | - | - |

(a) The Group and its employees each contribute a minimum of 10% and 8% respectively of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

(b) This represents the Naira value of foreign currencies held on behalf of customers in various foreign accounts to cover letters of credit transactions. Of the sum of ₦483,842,372,000 reported, the sum of ₦242,929,712,000 represents customers cash collateral balances with the corresponding balance included in Foreign Banks - Cash Collateral in other assets. The balance of ₦240,912,660,000 represents customer's FEM balances.

(c) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | Dec-2024 | | Dec-2023 | |
|---|---|---|---|---|
| | Average Exercise Price Per Share | Share Rights (thousands) | Average Exercise Price Per Share | Share Rights (thousands) |
| At 1 January | 27.36 | 343,649 | 22.54 | 282,874 |
| Granted | 13.26 | 119,521 | 41.64 | 80,261 |
| Exercised | 38.80 | (28,719) | 25.54 | (19,487) |
| **As at end of the year** | **31.68** | **434,451** | **27.36** | **343,649** |

The total unit of shares of the scheme stood at 1,472,602,940 as at December 2024 (Dec 2023: 1,409,179,046), out of which 434,450,935 (Dec 2023: 343,648,725) have been granted. Out of the 434,450,935 Share Appreciation Right (SARs) granted as at December 2024 (Dec 2023: 343,648,725 SARs ), 228,862,178.58 SARs (Dec 2023: 223,416,981.88) have met the vesting criteria. SARs exercised in 2024 resulted in 28,719,094 shares (Dec 2023: 19,486,705) being granted at a weighted average price of N38.80 each (Dec 2023: N25.54 each)

The fair value of SAR was determined using a multi-factor model which entails using average share price for vested shares and multiple combination of 11.57% probability of exits, number of employees years in the scheme and in the organization for non-vested shares.

As at 31st December 2024, the impact of the SAR on the statement of financial position of the Group stood at ₦13,763,257,635 (Dec 2023: ₦9,401,873,740).

The Share Appreciation Right is a cash settled share based compensation scheme managed by a Special Purpose Vehicle (SPV) Guaranty Trust Bank Staff Investment Trust. The scheme was introduced as a compensation plan for the Group's qualifying personnel to enhance employee retention, by offering the shares acquired by the SPV to qualifying members of staff at the prevailing net book value of the Group. Under the terms of the plan, the shares vest only if a member has spent 10 years in the bank, 5 years in the scheme and the purchased shares are up to 3 years old from the date of purchase. Upon exit if a member meets vesting conditions, the shares would be repurchased from the staff by the scheme.

The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs, by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date. The expected life used in the model has been adjusted based on management's best estimate for the effects of exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

As at 31st December 2024, the impact of the SAR on the statement of financial position of the Group stood at ₦7,565,128,761 (Dec 2023:₦6,153,715,005). Of this amount, the liability on vested but unexercised SARs was ₦7,565,128,761 (Dec 2023:₦6,153,715,005 )

Share options outstanding at the end of the period have the following expiry date and exercise prices:

| | Exercise price | | Share options (thousands of Naira) | |
|---|---|---|---|---|
| **Grant-Vest** | **Dec-2024** | **Dec-2023** | **Dec-2024** | **Dec-2023** |
| 2004-2009 | 32.46 | 27.43 | 4,027,158 | 3,403,631 |
| 2005-2010 | 31.47 | 27.25 | 584,849 | 506,519 |
| 2006-2011 | 32.27 | 27.51 | 243,704 | 156,559 |
| 2007-2012 | 31.75 | 27.44 | 520,241 | 296,607 |
| 2007-2013 | 31.81 | 27.39 | 223,006 | 127,542 |
| 2007-2014 | 33.06 | 27.54 | 88,301 | 73,578 |
| 2007-2016 | 31.09 | 27.36 | 420,391 | 178,456 |
| 2008-2013 | 31.76 | 27.46 | 130,142 | 167,459 |
| 2008-2014 | 31.66 | 27.34 | 177,290 | 119,533 |
| 2008-2015 | 33.06 | 27.51 | 117,595 | 97,875 |
| 2008-2017 | 31.78 | 27.48 | 147,332 | 75,470 |
| 2009-2014 | 33.06 | 27.54 | 18,582 | 15,484 |
| 2009-2015 | 31.87 | 27.34 | 59,820 | 36,280 |
| 2010-2015 | 31.17 | 27.20 | 156,033 | 91,194 |
| 2010-2017 | 33.06 | 27.54 | 33,523 | 27,933 |
| 2010-2018 | 32.76 | 27.46 | 92,181 | 75,070 |
| 2011-2016 | 31.61 | 27.39 | 841,045 | 546,487 |
| 2011-2018 | 31.59 | 27.37 | 156,383 | 81,477 |
| 2011-2019 | 31.22 | 27.29 | 127,238 | 70,084 |
| 2011-2020 | 31.29 | 27.22 | 232,811 | 155,151 |
| 2012-2017 | 31.70 | 27.47 | 139,580 | 75,816 |
| 2013-2018 | 31.81 | 27.37 | 728,586 | 473,358 |
| 2014-2019 | 31.53 | 27.35 | 579,585 | 343,141 |
| 2014-2022 | 31.15 | 27.39 | 43,902 | 19,186 |
| 2015-2020 | 31.70 | 27.41 | 320,653 | 251,765 |
| 2015-2022 | - | 27.40 | - | 100,018 |
| 2015-2023 | 30.86 | 27.21 | 103,127 | 52,358 |
| 2016-2021 | 31.63 | 27.34 | 680,954 | 494,189 |
| 2017-2022 | 31.13 | 27.24 | 344,054 | 186,752 |
| 2017-2023 | - | 27.24 | - | 12,259 |

| | | | | |
|---|---|---|---|---|
| 2018-2023 | 30.89 | 27.23 | 508,321 | 244,049 |
| 2019-2024 | 31.06 | 27.15 | 522,917 | 259,062 |
| 2020-2025 | 30.61 | 27.07 | 332,490 | 196,094 |
| 2021-2026 | 30.50 | 27.00 | 332,583 | 203,409 |
| 2021-2029 | 30.50 | 27.00 | 2,862 | 1,002 |
| 2022-2027 | 30.10 | 27.00 | 180,992 | 86,257 |
| 2023-2028 | 30.10 | 27.00 | 169,162 | 82,415 |
| 2023-2029 | 30.10 | 27.00 | 17,209 | 3,907 |
| 2023-2032 | 30.10 | 27.00 | 9,677 | 5,108 |
| 2023-2033 | 30.10 | 27.00 | 74,605 | 9,340 |
| 2024-2029 | 30.10 | - | 239,620 | - |
| 2024-2030 | 30.10 | - | 6,020 | - |
| 2024-2034 | 30.10 | - | 28,735 | - |
| | | | **13,763,258** | **9,401,874** |

(d) Provision for litigation arose from the assessment carried out by the Solicitors of the Group of all the pending litigations the Group was involved in as at December 31, 2024. Please see Note 42 for further information on Litigations

**Movement in provision for litigation claims during the period ended is as follows:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening Balance | 9,333,463 | 233,111 | - | - |
| Increase during the year | 1,576,854 | 9,100,352 | - | - |
| **Closing Balance** | **10,910,317** | **9,333,463** | **-** | **-** |

This relates to provision on pending cases that the Company is currently involved in. Please refer to Note 42 for more information.
Timing of resulting outflows of economic resources with respect to the provision can not readily be determined.

**(e) Movement in impairment on contingents during the year ended is as follows:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening balance | 66,015,319 | 3,042,428 | - | - |
| Effect of exchange rate fluctuation | 1,286,121 | 21,437 | - | - |
| Charge for the year ended | 13,841,354 | 62,951,454 | - | - |
| **Closing Balance** | **81,142,794** | **66,015,319** | **-** | **-** |

**(f)** The Group leases a number of properties to serve as its branch outlets.
The Group and Company has applied 13.72% as the weighted average incremental borrowing rate to lease liability on transition date.
The present value of lease liabilities is as follows:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Less than 3 months | 27,137 | 28,768 | - | - |
| 3-6 months | 90,253 | 34,320 | - | - |
| 6-12 months | 324,348 | 156,656 | - | - |
| 1-5years | 2,973,636 | 1,194,073 | - | - |
| More than 5 years | 17,860,949 | 10,003,594 | - | - |
| | **21,276,323** | **11,417,411** | **-** | **-** |

The period of future economic outflows of the lease liabilities is analysed below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Less than 3 months | 27,399 | 29,078 | - | - |
| 3-6 months | 91,640 | 34,851 | - | - |
| 6-12 months | 334,315 | 161,503 | - | - |
| 1-5years | 3,447,184 | 1,389,206 | - | - |
| More than 5 years | 23,549,612 | 13,273,128 | - | - |
| | **27,450,150** | **14,887,766** | **-** | **-** |

The movement in lease liabilities is shown below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening Balance | 11,417,411 | 3,947,540 | - | - |
| Exchange difference | 15,330,046 | 9,383,764 | - | - |
| Finance cost | 2,962,443 | - | - | - |
| Payments | (8,433,577) | (1,913,893) | - | - |
| | **21,276,323** | **11,417,411** | **-** | **-** |

**(g)** The movement in Provision on Restoration Cost is shown below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening Balance | 306,396 | 283,371 | - | - |
| Changes in the year | (27,280) | 23,025 | - | - |
| | **279,116** | **306,396** | **-** | **-** |

### 38 Defined benefit obligations

The Group operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries with FRC Number: FRC/2012/0000000000504.

The report was sign by Management Partner Wayne van Jaarsveld with FRC Number: FRC/2021/002/00000024507.

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**(a)** The amounts recognised in the statement of financial position are as follows:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Present value of funded obligations | (4,208,786) | (1,787,419) | - | - |
| Total present value of defined benefit obligations | (4,208,786) | (1,787,419) | - | - |
| Fair value of plan assets | 40,513,848 | 26,006,023 | - | - |
| Present value of net asset | 36,305,062 | 24,218,604 | - | - |
| **Recognized net assets for defined benefit plan** | **36,305,062** | **24,218,604** | **-** | **-** |

The Company has a right to the surplus on its plan assets. The defined benefit scheme is not open to asset ceiling, therefore, there is no need to determine any difference between net defined benefit asset and asset ceiling.

Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 33.

**(b) Movement in the present value of defined benefit obligations:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| surplus on defined benefit obligations, beginning of year | 24,218,604 | 16,709,808 | - | - |
| Net Income recognised in Profit and Loss | 4,279,719 | 2,392,316 | - | - |
| Past Service Cost | - | (897,424) | - | - |
| Re-measurements recognised in Other Comprehensive Income | 7,806,739 | 5,622,571 | - | - |
| Contributions paid | - | 391,333 | - | - |
| **Surplus for defined benefit obligations, end of year** | **36,305,062** | **24,218,604** | **-** | **-** |

[1]Net (Expense) / Income recognised in Profit and Loss is analysed below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Interest income on Net defined benefit obligation[a] | 4,326,717 | 2,441,679 | - | - |
| Current service costs | (46,998) | (49,363) | - | - |
| | **4,279,719** | **2,392,316** | **-** | **-** |

[a]Interest cost on Net Defined benefit Obligation is analysed below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Interest income on plan assets | 4,628,638 | 2,682,923 | - | - |
| Interest cost on defined benefit obligation | (301,921) | (241,244) | - | - |
| | **4,326,717** | **2,441,679** | **-** | **-** |

[2]Remeasurements recognised in Other Comprehensive income is analysed below:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Return on plan assets, excluding amounts included in interest expense/income | 10,174,603 | 5,787,657 | - | - |
| Loss due to experience variance | (45,101) | (60,028) | - | - |
| Gain due to economic assumptions | (1,632,056) | 351,303 | - | - |
| Loss from change in demographic assumptions | (690,707) | (456,361) | - | - |
| | **7,806,739** | **5,622,571** | **-** | **-** |

**(c) Plan assets consist of the following:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| **Equity securities:** | | | | |
| - Quoted | 5,373,906 | 4,099,185 | - | - |
| **Government securities** | | | | |
| - Quoted | 6,853,792 | 1,046,712 | - | - |
| **Commercial papers** | | | | |
| - Quoted | - | - | - | - |
| **Cash and bank balances** | | | | |
| - Unquoted | 28,286,151 | 20,860,127 | - | - |
| | **40,513,848** | **26,006,023** | **-** | **-** |

**Group**

| In thousands of Nigerian Naira | Dec-2024 | | Dec-2023 | |
|---|---|---|---|---|
| Equity securities | 5,373,906 | 13% | 4,099,185 | 16% |
| Government securities | 6,853,792 | 17% | 1,046,712 | 4% |
| Commercial papers | - | 0% | - | 0% |
| Cash and bank balances | 28,286,151 | 70% | 20,860,127 | 80% |
| | **40,513,848** | **100%** | **26,006,023** | **100%** |

The defined benefit plan assets are under the management of Pension Fund Custodians - Crusader Sterling Pension Limited

The ₦5,373,905,000 equity investments of the scheme includes the Group's ordinary shares with a fair value of ₦3,679,893,950 (Dec 2023: ₦3,679,893,950). Additionally, out of the cash and bank balances of ₦28,286,150,000 an amount with a fair value of Zero balance (Dec 2023:₦20,860,127,000) represents deposit with the Group.

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 is Nil (December 2023: ₦187,085,000) while gratuity payments are estimated to be ₦288,014,000 (December 2023: ₦187,085,000)

**(d) Defined benefit cost for  the year ended Dec 2024 is expected to be as follows:**

| | Company | Company |
|---|---|---|
| | Dec-2025 | Dec-2024 |
| Net Interest on Net benefit assets | 6,394,195 | 4,343,461 |
| Current service cost | (176,669) | (46,998) |
| **Income/(Expense) recognised in profit or loss** | **6,217,526** | **4,296,463** |

Components of net interest on defined benefit liability for the year ended December 2024 is estimated to be as follows:

| | Company | Company |
|---|---|---|
| | Dec-2025 | Dec-2024 |
| Interest income on assets | 7,145,462 | 4,655,078 |
| Interest cost on defined benefit obligation | (751,267) | (311,617) |
| **Total net interest income** | **6,394,195** | **4,343,461** |

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

**(e) Movement in plan assets:**

| In thousands of Nigerian Naira | Group | Group | Company | Company |
|---|---|---|---|---|
| | Dec-2024 | Dec-2023 | Dec-2024 | Dec-2023 |
| Fair value of plan assets, beginning of the year | 26,006,023 | 17,535,443 | - | - |
| Contributions paid into the plan | - | 391,333 | - | - |
| Benefits paid by the plan | (295,416) | (391,333) | - | - |
| Actuarial loss | 10,174,603 | 5,787,657 | - | - |
| Return on plan assets | 4,628,638 | 2,682,923 | - | - |
| **Fair value of plan assets, end of the year** | **40,513,848** | **26,006,023** | **-** | **-** |

Actual return on plan asset is made up of expected return on plan assets and actuarial gains / losses.

### (f) Movement in present value of obligations:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Present value of obligation, beginning of the year | 1,787,419 | 825,635 | - | - |
| Interest cost | 301,921 | 241,244 | - | - |
| Current service cost | 46,998 | 49,363 | - | - |
| Past service cost | - | 897,424 | - | - |
| Benefits paid | (295,416) | (391,333) | - | - |
| Actuarial loss/(gain) on obligation[1] | 2,367,864 | 165,086 | - | - |
| **Present value of obligation at end of the year** | **4,208,786** | **1,787,419** | **-** | **-** |

[1] The actuarial loss on obligation arose from the following:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Experience variance | 45,101 | 60,028 | - | - |
| Change in economic assumptions | 1,632,056 | (351,303) | - | - |
| Change in demographic assumptions | 690,707 | 456,361 | - | - |
| | **2,367,864** | **165,086** | **-** | **-** |

### (g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | 2024 | 2023 |
|---|---|---|
| Discount rate | 17.7% | 17.9% |
| Salary increase rate | 10.0% | 4.2% |
| Inflation | 17.2% | 17.2% |
| Retirement age for both male and female | 60 years | 60 years |
| Withdrawal Rate: 18 – 29 | 4.5% | 4.5% |
| Withdrawal Rate: 30 – 44 | 6.0% | 6.0% |
| Withdrawal Rate: 45 – 50 | 5.0% | 5.0% |
| Withdrawal Rate: 51 | 4.5% | 4.5% |
| Withdrawal Rate: 52 | 4.0% | 4.0% |
| Withdrawal Rate: 53 | 3.5% | 3.5% |
| Withdrawal Rate: 54 | 3.0% | 3.0% |
| Withdrawal Rate: 55 | 2.5% | 2.5% |
| Withdrawal Rate: 56 | 2.0% | 2.0% |
| Withdrawal Rate: 57 | 1.5% | 1.5% |
| Withdrawal Rate: 58 | 1.0% | 1.0% |
| Withdrawal Rate: 59 | 0.5% | 0.5% |
| Withdrawal Rate: 60 | 100.0% | 100.0% |

Assumptions regarding future mortality before retirement are based on A1967/70 ultimate table published by the Institute of Actuaries
of United Kingdom.

The overall expected long-term rate of return on assets is 17.7%. The expected long-term rate of return is based on the portfolio as a whole

and not on the sum of the returns on individual asset categories. The return is based entirely on current market yields on Nigerian Government Bonds. The component of the rate of remuneration increase based on seniority and promotion is an average of 10.0% p.a.
The inflation component has been worked out at 17.2% per annum.

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

**(h)** Reasonably possible changes at the reporting date of discount rate, salary increase rate and mortality rate would have affected the defined benefit obligation by the amounts shown below:

**Group**
**Dec-2024**

| In thousands of Nigerian Naira | Impact on defined benefit obligation | | |
|---|---|---|---|
| | Change in Defined benefit obligation | | |
| | Assumption | Increase | Decrease |
| Discount rate | 1.00% | (3,875,646) | 4,589,492 |
| Salary increase rate | 1.00% | 4,616,061 | (3,849,344) |
| Mortality rate | 1 year | 4,212,710 | (4,205,218) |

**Group**
**Dec-2023**

| In thousands of Nigerian Naira | Impact on defined benefit obligation | | |
|---|---|---|---|
| | Change in Defined benefit obligation | | |
| | Assumption | Increase | Decrease |
| Discount rate | 1.00% | (1,677,763) | 1,910,084 |
| Salary increase rate | 1.00% | 1,926,613 | (1,662,479) |
| Mortality rate | 1 year | 1,792,078 | (1,783,215) |

In practice, changing an actuarial assumption while holding other assumptions constant is unlikely to occur as changes in some of the assumptions may be correlated.

**(i)** Expected maturity analysis of undiscounted pension and post-employment benefits:

| In thousands of Nigerian Naira | Less than 1 year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | | | | | |
| Present value of the defined benefit obligation | 28,456 | 14,642 | 223,360 | 85,317,778 | 85,584,236 |
| | **28,456** | **14,642** | **223,360** | **85,317,778** | **85,584,236** |

### (j) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets.

The significant risks inherent in the Group's defined benefit plan are detailed below:

**Asset volatility**

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

**Changes in bond yields**

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

**Inflation risk**

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

## 39 Other borrowed funds

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Due to BOI (see note (i) below) | 500,404 | 4,624,108 | - | - |
| Due to CACS (see note (ii) below) | 350,652 | 2,159,052 | - | - |
| MSME Development Fund (see note (iii) below) | 846 | 846 | - | - |
| Excess Crude Account -Secured Loans Fund (see note (iv) below) | 12,767,505 | 12,526,250 | - | - |
| RSSF on lending (see note (v) below) | 6,651,419 | 10,017,685 | - | - |
| SANEF Intervention Fund (see note (vi) below) | 703,603 | 835,735 | - | - |
| NESF Fund (see note (vii) below) | 5,180 | 170,107 | - | - |
| Due to Anchor Borrowers' Fund (see note (viii) below) | - | 40,397,274 | - | - |
| Economic Recovery Fund (see note (ix) below) | 225,589 | 416,877 | - | - |
| Due To P-Aads Loan (see note (x) below) | 439,572 | 971,551 | - | - |
| Due To Cbn (see note (xi) below) | 288,376,276 | - | - | - |
| | **310,021,046** | **72,119,485** | **-** | **-** |
| | | | | |
| Current | 294,047,092 | 50,688,777 | - | - |
| Non-current | 15,973,954 | 21,430,708 | - | - |

i). The amount of ₦500,404,000 (December 2023: ₦4,624,108,000) represents the outstanding balance on the wholesale funding granted to the Parent for the refinancing/restructuring of SME/Manufacturing loan portfolio under the Small and Medium Enterprise Refinancing and Restructuring Fund and to fastrack the development of power projects and aviation sector so as to improve power supply, under the Power and Airline Intervention Fund ( PAIF). The SMERRF and PAIF are administered at an all-in interest rate /charge of 7% per annum payable on a quarterly basis. The BOI is entitled to 1% management fee payable quarterly by the Parent. The Loans have a maximum life of 15 years and/or working capital facility of one year with the provision for roll over subject to a maximum tenor of 5 years. The tenor of the facilities as at the end of the period range between 5 years to 13 years.

ii). The amount of ₦350,652,000 (December 2023: ₦2,159,052,000) represents the outstanding balance on the on-lending facilities granted to the Parent by the Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) under the Commercial Agriculture Credit Scheme (CACS). The FGN is represented by the Federal Ministry of Agriculture and Rural Development '(FMARD) who has the aim of providing concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The Facility is for a period of 7 years at 2% p.a cost to the Parent. The maximum interest rate to the borrowers under the Scheme is 9% p.a inclusive of all charges.

iii). The amount of ₦846,000 (December 2023: ₦846,000) represents the outstanding balance on the on lending facility granted by the Central Bank of Nigeria targeted at the growth and development of the Micro, Small and Medium Scale sub sector of the economy by providing single digit low interest rate funds. The facility is granted at an interest rate of 2% to the Parent. The maximum rate, inclusive of all charges, to the eligible MSMEs is 9% p.a. and the tenor of the facility ranges from 1 to 3 years depending on the type of enterprise.

iv). The amount of ₦12,767,505,000 (December 2023: ₦12,526,250,000) represents the outstanding balance on the concessionary loans granted by the Central Bank of Nigeria to State Governments for the execution of developmental and infrastructure projects. The facility is secured by the balance due to State Governments from the Excess Crude Account. The facility is priced at 2% p.a payable on a monthly basis. The loan is granted to the States at 9% p.a inclusive of all charges. The principal is repayable monthly from the Federal Account Allocation Committee(FAAC) allocation of those States as a first line charge upon the issuance of an Irrevocable Standing Payment Order (ISPO) by those States. The tenor of 'the facility is 20 years.

v). The amount of ₦6,651,419,000 (December 2023: ₦10,017,685,000) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 9% per annum payable on quarterly basis.

vi). The Shared Agent Network Facility (SANEF) is an intervention fund under the MSME Development Fund to provide ten (10) year loans to CBN Licensed and pre-qualified Mobile Money and Super- Agent operators for the purposes of rolling out of a Shared Agent Network. The objective of the Shared Agent Network is to deepen financial inclusion in the country with the offering of basic financial services such as Cash-in, Cash-out, Funds, Bills Payments, Airtime Purchase, Government disbursements as well as remote enrollment on BMS infrastructure (BVN). The facility is for 10 years inclusive of a 2-year moratorium on principal and 1- year moratorium on Interest. The facility is disbursed at a single digit, all-inclusive interest rate of 9% per annum.

vii). The Non Oil Export Stimulation Facility (NESF) was introduced by the Central Bank of Nigeria (CBN) to diversify the revenue base of the economy and promote growth of the non-oil export sector. The facility is granted at an all-inclusive interest rate of 9% p.a. payable on a quarterly basis. NESF can have a tenor of up to 10 years not exceeding 31st December, 2027 and the principal amount is repayable quarterly over the tenure of the facility.

viii). Due to Anchor Borrowers' fund is an initiative of the Central Bank of Nigeria broadly aimed to create economic linkages between small holder farmers and reputable anchor companies involved in the production and processing of key agricultural commodities with a view to increase agricultural output, reduce food import bills and create jobs. The tenor of the facility depends on the gestation period of the targeted commodity but not exceeding 2 years. The facility is disbursed at an all-inclusive interest rate of 9%.

ix). The Economic Recovery Fund (ERF) was introduced by the Government of Rwanda with the objective of supporting the recovery of businesses adversely affected by COVID-19 so that the businesses can survive, resume operations, safeguard employment and expand domestic production of essential goods.

x). The amount of ₦439,572,000 (December 2023: 971,551,000) represents the outstanding balance on the on-lending facility granted by the Central Bank of Nigeria relative to Private sector led accelerated agriculture development scheme(P-AADS). This is a CBN initiative aimed at empowering 370,000 youths in the agricultural sector. This was introduced to complement AADS, which was implemented initially to address food security and youth unemployment. The maximum amount per obligor has been affixed at ₦2billion. The facility will be repaid from economics of production for cultivating on the cleared farm land. Collateral to be pledged will be the cleared farm land and any other acceptable type of collateral under the scheme.

xi). The amount of ₦288,376,276,000 (December 2023: Nil) represents the outstanding balance on Due to CBN, which represents borrowings with the financier CBN. The contractual agreement is a cross currency swap transaction for a tenor of 2 years with a maturity date of 22nd of March 2026. Interest rate on the facility is 17%.

## 39b Reconciliation of Financial Liabilities

**Group**

**Dec-2024**

| In thousands of Nigerian Naira | Long term borrowings |
|---|---|
| Opening Balance | 72,119,485 |
| Cash inflow - Principal | 254,785,709 |
| Cash outflow - Principal | (50,537,692) |
| Cash outflow - Interest | 33,566,468 |
| Effect of exchange rate fluctuation | 435,047 |
| Other non-cash[1] | (347,971) |
| **Closing Balance** | **310,021,046** |

**Group**

**Dec-2023**

| In thousands of Nigerian Naira | Long term borrowings |
|---|---|
| Opening Balance | 126,528,105 |
| Cash inflow - Principal | 416,877 |
| Cash outflow - Principal | (54,480,987) |
| Cash outflow - Interest | (3,040,194) |
| Effect of exchange rate fluctuation | 166,772 |
| Other non-cash[1] | 2,528,912 |
| **Closing Balance** | **72,119,485** |

[1]This relates to non-cash movement in interest payable and origination fees.

## 39c Statement of cash flow reconciliation

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| (i) Financial assets held for trading | | | | |
| Opening Balance | 28,066,613 | 128,782,374 | - | - |
| Closing Balance | (59,602,997) | (28,066,613) | - | - |
| Movement during the year | (31,536,384) | 100,715,761 | - | - |
| Exchange difference | 1,709,126 | 3,218,168 | - | - |
| Mark to Market Gains on Trading Investments | 2,023,108 | (4,951,705) | - | - |
| **Recognised in cash flow statement** | **(27,804,150)** | **98,982,224** | **-** | **-** |

### (ii) Assets pledged as collateral

| | | | | |
|---|---|---|---|---|
| Opening Balance | 86,552,701 | 80,909,062 | - | - |
| Closing Balance | (114,570,075) | (86,552,701) | - | - |
| Movement during the year | (28,017,374) | (5,643,639) | - | - |
| Exchange difference | 5,629,583 | 3,970,493 | - | - |
| **Recognised in cash flow statement** | **(22,387,791)** | **(1,673,146)** | **-** | **-** |

### (iii) Loans and advances to banks

| | | | | |
|---|---|---|---|---|
| Opening Balance | 66,935 | 54,765 | - | - |
| Closing Balance | (87,794) | (66,935) | - | - |
| Movement during the year | (20,859) | (12,170) | - | - |
| Impairment on financial assets | 11,337 | (13,420) | - | - |
| Opening Balance of placements(more than 3mths) | 303,682,500 | 25,022,530 | - | - |
| Closing Balance of placements(more than 3mths) | (271,458,201) | (303,682,500) | - | - |
| Movement in Interest Receivables on Placements | 2,358,067 | - | - | - |
| Impairment reversal on placements | - | (1,991,892) | - | - |
| **Recognised in cash flow statement** | **34,572,844** | **(280,677,452)** | **-** | **-** |

### (iv) Loans and advances to customers

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening Balance | 2,480,183,368 | 1,885,798,639 | - | - |
| Closing Balance | (2,785,664,040) | (2,480,183,368) | - | - |
| Movement during the year | (305,480,672) | (594,384,729) | - | - |
| Exchange difference | 282,815,078 | 209,599,833 | - | - |
| Impairment Charge | (136,673,315) | (102,939,861) | - | - |
| Exchange gain or loss | 520,176,241 | 746,792,940 | - | - |
| Movement in Interest Receivables on Loans advances to customers | (71,587,878) | 78,619,181 | - | - |
| **Recognised in cash flow statement** | **289,249,454** | **337,687,364** | **-** | **-** |

### (v) Restricted deposits and other assets

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Opening Balance | 2,012,815,346 | 1,232,611,251 | - | 144,538 |
| Closing Balance | (2,574,084,654) | (2,012,815,346) | - | - |
| **Movement during the year** | **(561,269,308)** | **(780,204,095)** | **-** | **144,538** |
| Impairment Charges on Other Assets | (428,992) | (25,478,968) | - | - |
| Non- cash component of Defined benefit | 5,464,717 | 12,629,528 | - | - |
| Derivatives fair value changes | - | 584,714 | - | - |
| Deferred tax impact of actuarial gains and losses | 2,342,022 | 1,686,771 | - | - |
| Effect Exchange fluctuation | 103,440,069 | 119,668,098 | - | - |
| **Recognised in cash flow statement** | **(450,451,492)** | **(671,113,952)** | **-** | **144,538** |

### (vi) Deposits from banks

| | | | | |
|---|---|---|---|---|
| Opening Balance | (136,053,409) | (125,229,187) | - | - |
| Closing Balance | 388,420,244 | 136,053,409 | - | - |
| **Movement during the year** | **252,366,835** | **10,824,222** | **-** | **-** |
| Exchange Difference | (196,577,665) | (221,769,234) | - | - |
| **Recognised in cash flow statement** | **55,789,170** | **(210,945,012)** | **-** | **-** |

### (vii) Deposits from customers

| | | | | |
|---|---|---|---|---|
| Opening Balance | (7,410,834,190) | (4,485,113,979) | - | - |
| Closing Balance | 10,013,021,406 | 7,410,834,190 | - | - |
| **Movement during the year** | **2,602,187,216** | **2,925,720,211** | **-** | **-** |
| Effect of exchange fluctuation | (2,077,708,869) | (1,355,899,109) | - | - |
| Movement in Interest payable | (313,487) | 1,015,950 | - | - |
| **Recognised in cash flow statement** | **524,164,860** | **1,570,837,052** | **-** | **-** |

### (viii) Financial Liabilities at fair value through profit or loss

| | | | | |
|---|---|---|---|---|
| Opening Balance | (809,342) | (1,830,228) | - | - |
| Closing Balance | 51,174,468 | 809,342 | - | - |
| **Recognised in cash flow statement** | **50,365,126** | **(1,020,886)** | **-** | **-** |

### (ix) Other liabilities

| | | | | |
|---|---|---|---|---|
| Opening Balance | (493,325,925) | (724,902,202) | (16,483,941) | (26,043,503) |
| Closing Balance | 1,020,285,051 | 493,325,925 | 221,179,425 | 16,483,941 |
| **Movement during the year** | **526,959,126** | **(231,576,277)** | **204,695,484** | **(9,559,562)** |
| Exchange Difference | (188,160,822) | (27,384,156) | - | - |
| Impairment charge on Contigent and Litigation | (13,841,353) | (62,951,455) | - | - |
| Litigation Claims Provision | (1,576,854) | (9,100,352) | - | - |
| Restoration cost of Lease Liabilities | 27,280 | (23,025) | - | - |
| Lease Liability | 8,433,577 | 1,913,893 | - | - |
| Recognised in cash flow statement | 331,840,954 | (329,121,372) | 204,695,484 | (9,559,562) |

**(x) Interest Received**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Interest Income | 1,341,801,663 | 550,755,128 | - | - |
| Movement in interest receivables | (63,207,813) | (86,808,633) | - | - |
| Exchange Difference | 96,818,245 | 68,711,364 | - | - |
| **Recognised in cash flow statement** | **1,375,412,095** | **532,657,859** | **-** | **-** |

**(xi) Interest Paid**

| | | | | |
|---|---|---|---|---|
| Interest Expense | (283,215,490) | (114,058,543) | - | - |
| Movement in interest payables | (311,218) | (1,520,226) | - | - |
| Interest Payable Accrued during the year | 35,372,575 | 2,931,536 | - | - |
| Interest Paid on other borrowed fund | (1,529,374) | (3,442,818) | - | - |
| **Recognised in cash flow statement** | **(249,683,507)** | **(116,090,051)** | **-** | **-** |

**(xii) Impairment on financial assets**

| | | | | |
|---|---|---|---|---|
| Impairment on Loans and Advance to Banks | (11,337) | 13,420 | - | - |
| Impairment on Loans and Advance to Customers | 136,673,315 | 102,939,861 | - | - |
| Impairment on Other Assets | 428,992 | 25,478,968 | - | - |
| Modification charge on other financial assets | 27,573,321 | - | - | - |
| Impairment charge on Contingents | 13,841,354 | 62,951,454 | - | - |
| Impairment charge on Investment Securities | (14,175,946) | 4,570,064 | - | - |
| Impairment reversal on Placement | - | 1,991,892 | - | - |
| **Recognised in cash flow statement** | **164,329,699** | **197,945,659** | **-** | **-** |

**(xiii) Redemption of investment securities**

| | | | | |
|---|---|---|---|---|
| Opening Balance of FVOCI Investment Securities | 894,064,002 | 357,704,355 | - | - |
| Closing Balance of FVOCI Investment Securities | (2,495,063,888) | (894,064,002) | - | - |
| Opening Balance of FVPL Investment Securities | 3,947,850 | 3,904,458 | - | - |
| Closing Balance of FVPL Investment Securities | (5,508,086) | (3,947,850) | - | - |
| Opening Balance of Amortised cost Investment Securities | 1,571,317,478 | 863,421,522 | - | - |
| Closing Balance of Amortised Cost Investment Securities | (1,647,724,053) | (1,571,317,478) | - | - |
| **Movement during the year** | **(1,678,966,697)** | **(1,244,298,995)** | **-** | **-** |
| Exchange Difference | 700,775,900 | 319,623,034 | - | - |
| Income tax relating to Net change in fair value of available for sale financial assets | (5,443,542) | 3,054,132 | - | - |
| Fair value adjustment | (12,396,842) | 7,410,176 | - | - |
| Movement in Interest Receivables on Investment Securities | 16,216,662 | - | - | - |
| Impairment charges on investment securities | (13,397,375) | (4,570,063) | - | - |
| Purchase of investment securities | 5,055,861,698 | 3,867,163,867 | - | - |
| **Recognised in cash flow statement** | **4,062,649,804** | **2,948,382,151** | **-** | **-** |

**(xiv) Purchase of investment securities**

| | | | | |
|---|---|---|---|---|
| Purchase of FVOCI Bills | (1,845,954,529) | (606,622,105) | - | - |
| Purchase of FVOCI Bonds | (615,483,500) | (57,811,115) | - | - |
| Purchase of Special bills | (410,849,259) | (2,325,792,985) | - | - |
| Purchase of promisory Notes | - | (1,909,000) | - | - |
| Purchase of Commercial paper | - | (54,537,969) | - | - |
| Purchase of subsidiary's investment securities | (2,183,574,410) | (820,490,693) | - | - |
| **Recognised in cash flow statement** | **(5,055,861,698)** | **(3,867,163,867)** | **-** | **-** |

## 40 Capital and reserves

### Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group. All ordinary shares and GDR shares rank pari-passu with the same rights and benefits at meetings of the

**Group**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Issued and fully paid: | | | | |
| 34,138,949,684 ordinary shares of 50 kobo each (31 December 2023: 29,431,179,224 ordinary shares of 50k each) | 17,069,475 | 14,715,590 | 17,069,475 | 14,715,590 |

**To meet the minimum capital requirement of the Central Bank of Nigeria, the Group raised additional 4.71bn ordinary shares at ₦44.50k during the year. Regulatory approval was obtained on December 13, 2024.**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| 32,784,550,397 ordinary shares (Non-GDR) of 50k each (31 December 2023: 28,076,330,837 ) | 16,392,275 | 14,038,166 | 16,392,275 | 14,038,166 |
| 1,354,399,287 ordinary shares (GDR) of 50k each (31 December 2023: 1,354,848,387) | 677,200 | 677,424 | 677,200 | 677,424 |
| | **17,069,475** | **14,715,590** | **17,069,475** | **14,715,590** |

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year ended was as follows:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Balance, beginning of year | 14,715,590 | 14,715,590 | 14,715,590 | 14,715,590 |
| Increase in the year | 2,353,885 | - | 2,353,885 | - |
| **Balance, end of year** | **17,069,475** | **14,715,590** | **17,069,475** | **14,715,590** |

**Share capital**

Movement in the components of share capital for the Group is as shown below:

| | Number of shares (thousands) | Ordinary shares | Share premium | Treasury shares |
|---|---|---|---|---|
| At January 2023 | 29,431,180 | 14,715,590 | 123,471,114 | (8,125,998) |
| At 31 Decemeber 2023 | 29,431,180 | 14,715,590 | 123,471,114 | (8,125,998) |
| Increase during the year | 4,707,770 | 2,353,885 | 205,758,047 | - |
| Purchases of treasury shares | - | - | - | (3,163,602) |
| **At 31 December 2024** | **34,138,950** | **17,069,475** | **329,229,161** | **(11,289,600)** |

Further breakdown of the increase in capital during the year

| **In thousands of Nigerian Naira** | |
|---|---|
| Capital Raised | 209,495,785 |
| Transaction cost | (1,383,853) |
| **Net capital raised** | **208,111,932** |

The net capital raised is applied as follows:

| **In thousands of Nigerian Naira** | |
|---|---|
| Share Capital | 2,353,885 |
| Share premium | 205,758,047 |
| **Increased during the year** | **208,111,932** |

**Share premium**

Share premium is the excess paid by shareholders over the nominal value for their shares.

**Other regulatory reserves**

The other regulatory reserve includes movements in the statutory reserves, the small and medium enterprises equity investment reserve and Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS)..

**(i)** **Statutory Reserves:** 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 Institution 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. In the current year, the Company appropriated ₦141,058,255,000 representing 15% of its profit after tax to statutory reserves. Total statutory reserves was ₦628,865,926,000 at the end of the year.

**(ii)** **Small and medium enterprises equity investment reserve (SMEEIS):** The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this requirement is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. Total SMEEIS reserves was ₦4,232,478,000 at the end of the year.

**(iii)** **Treasury shares:** Treasury shares in the sum of ₦11,289,600,000 (31 December 2023:₦8,125,998,000) represents the Company's shares held by the Staff Investment Trust as at 31 December 2024

**(iv)** **Fair value reserve:** The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired.

**(v)** **Regulatory risk reserve:** The regulatory risk reserves warehouses the difference between the impairment balance on loans and advances as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria when compared with the assessment in line with the requirement of IFRS 9 Expected credit loss model. The key component of CBN Prudential Guidelines (PG) is the setting aside of additional 2% provision on all performing loans assessed under the PG. This 2% provision is not required under IFRS 9. Therefore it has been recognised in Regulatory

Risk Reserve. The Group's total balance in Regulatory Risk Reserve is ₦75,110,626,000.

**(vi) Retained earnings:** Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

**(viii) Non-controlling interests**

The analysis of non-controlling interest per subsidiary is as shown below:

| | Group Dec-2024 | Group Dec-2023 | Group Dec-2024 | Group Dec-2023 |
|---|---|---|---|---|
| | % | % | ₦'000 | ₦'000 |
| GTB (Gambia) Limited | 22.19 | 22.19 | 9,932,580 | 5,370,793 |
| GTB (Sierra Leone) Limited | 16.26 | 16.26 | 8,577,654 | 3,570,193 |
| GTB (Ghana) Limited | 1.68 | 1.68 | 4,254,347 | 2,433,527 |
| GTB Liberia | 0.57 | 0.57 | 262,223 | 116,746 |
| GTB Kenya Limited | 23.10 | 23.10 | 31,657,412 | 16,680,965 |
| GTB Tanzania | 23.80 | 23.80 | 2,075,517 | 1,314,097 |
| | | | | |
| | | | **56,759,733** | **29,486,321** |

Please refer to Note 43 for more information on the Group structure

**(viii) Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS):** The AGSMEIS is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme

(ix) Other regulatory reserves breakdown

| | | Group Dec-2024 | |
|---|---|---|---|
| **In thousands of Nigerian Naira** | **SMEEIS Reserves** | **AGSMEIS Reserves** | **Total** |
| | | | |
| Opening Balance | 4,232,478 | 55,010,215 | 59,242,693 |
| | | | |
| Total comprehensive income for the year: | | | |
| Transfers for the year | - | 21,898,131 | 21,898,131 |
| **Total transactions with equity holders** | **-** | **21,898,131** | **21,898,131** |
| | | | |
| **Balance as at 31 December 2024** | **4,232,478** | **76,908,346** | **81,140,824** |

| | | Group Dec-2023 | |
|---|---|---|---|
| **In thousands of Nigerian Naira** | **SMEEIS Reserves** | **AGSMEIS Reserves** | **Total** |
| | | | |
| Opening Balance | 4,232,478 | 49,178,175 | 53,410,653 |
| | | | |
| Total comprehensive income for the year: | | | |
| Transfers for the year | - | 5,832,040 | 5,832,040 |
| **Total transactions with equity holders** | **-** | **5,832,040** | **5,832,040** |
| | | | |
| **Balance as at 31 December 2023** | **4,232,478** | **55,010,215** | **59,242,693** |

## 41. Dividends

The following dividends were declared and paid by the Group during the year :

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Balance, beginning of year | - | - | - | - |
| Final dividend declared for FY-2022& FY-2023[1] | 79,910,665 | 84,601,004 | 79,464,184 | 82,407,301 |
| Interim dividend declared for H1-2023 & H1-2024[2] | 29,431,179 | 14,715,590 | 29,431,179 | 14,715,590 |
| Payment during the period-Final & Interim | (109,341,844) | (99,316,594) | (108,895,363) | (97,122,891) |
| **Balance, end of year** | **-** | **-** | **-** | **-** |

[1]This relates to the Final dividend declared for 2022 and 2023 financial year in the Sum of N2.80k and ₦2.70K on the issued ordinary shares of 29,431,179,224 of 50k each respectively

[2]This relates to the interim dividend declared for H1-2023 and H1-2024 financial year in the Sum of ₦0.50k and ₦1.00k on the issued ordinary shares of 29,431,179,224 of 50k each.

*Subsequent to the balance sheet date of FY-2024, the Board of directors proposed a Final dividend of ₦7.03k per share (Dec 2023: ₦2.70k per share) on the issued ordinary shares of 34,138,949,684 of 50k each.

## 42 Contingencies

### Claims and litigation

The Group in its ordinary course of business, is presently involved in 1051 cases as a defendant (31 December 2023: 1064) and 466 as a plaintiff (31 December 2023: 486). The total amount claimed in the 1051 cases against the Bank is estimated at ₦427.9 Billion and $83.96 Million (31 December 2023: ₦599.2 Billion and $92.07Million) while the total amount claimed in the 466 cases instituted by the Bank is ₦201.89 Billion (31 December 2023: ₦236.58 Billion). However, the solicitors of the Bank are of the view that the probable liability which may arise from the cases pending against the Bank is not likely to exceed ₦10.9 Billion (31 December 2023: ₦9.33 Billion). This probable liability has been fully provided for by the Bank (please refer to Note37d).

### Contingent liabilities and commitments

In common with other banks, the Group conducts business involving transaction related bonds and indemnities. Contingent liabilities and Commitments comprise guarantees and letters of credit.

### Nature of instruments

Guarantees and letters of credit are given as security to support the performance of a customer to third parties.
As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Group to make payments to third parties on production of documents, which is usually reimbursed immediately by customers. The following tables summarise the nominal amount of contingent liabilities and commitments with off-financial position risk.

**Acceptances, bonds, guarantees and other obligations for the account of customers:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Contingent liabilities: | | | | |
| Transaction related bonds and guarantees | 592,945,965 | 623,937,083 | - | - |
| | **592,945,965** | **623,937,083** | **-** | **-** |
| | | | | |
| Commitments: | | | | |
| Clean line facilities and letters of credit | 26,580,227 | 19,416,461 | - | - |
| Other commitments | 48,951,258 | 16,940,851 | - | - |
| | **75,531,485** | **36,357,312** | **-** | **-** |

**(ai) Loan commitments**

Loan commitments are irrevocable commitments to provide credits under pre-specified terms and conditions.At the reporting date, the Gtbank Nigeria had loan commitments amounting to ₦732.2 billion (December 2023: ₦499.8 billion) in respect of various loan contracts.

## 43. Group entities

The Group is controlled by Guaranty Trust Holding Company Plc "the ultimate Parent" (incorporated in Nigeria). The controlling interest of Guaranty Trust Holding Company Plc in the Group entities is disclosed in the table below:

| | Dec-2024 % ownership | Dec-2023 % ownership | Dec-2024 ₦'000 | Dec-2023 ₦'000 |
|---|---|---|---|---|
| GTBank Nigeria Limited* | 100.00 | 100.00 | 346,298,636 | 138,186,703 |
| Habari Pay | 100.00 | 100.00 | 3,100,000 | 3,100,000 |
| GT Fund Managers | 100.00 | 100.00 | 4,036,560 | 4,036,560 |
| GT Pension Fund Administrator | 100.00 | 100.00 | 17,633,296 | 17,633,296 |
| | | | **371,068,493** | **162,956,559** |

*GTBank Nigeria Limited has investment in the following subsidiaries:

| | | Country of incorporation | Ownership Interest Dec-24 | NCI Dec-24 | Ownership interest Dec-23 | NCI Dec-23 |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1 | Guaranty Trust Bank Gambia Limited | Gambia | 77.81% | 22.19% | 77.81% | 22.19% |
| 2 | Guaranty Trust Bank Sierra Leone Limited | Sierra Leone | 83.74% | 16.26% | 83.74% | 16.26% |
| 3 | Guaranty Trust Bank Ghana Limited | Ghana | 98.32% | 1.68% | 98.32% | 1.68% |
| 4 | Guaranty Trust Bank UK Limited | United Kingdom | 100.00% | 0.00% | 100.00% | 0.00% |
| 5 | Guaranty Trust Bank Liberia Limited | Liberia | 99.43% | 0.57% | 99.43% | 0.57% |
| 6 | Guaranty Trust Bank Cote D'Ivoire S.A | Cote D'Ivoire | 100.00% | 0.00% | 100.00% | 0.00% |
| 7 | Guaranty Trust Bank Kenya Limited | Kenya | 76.90% | 23.10% | 76.90% | 23.10% |
| 8 | Guaranty Trust Bank Tanzania Limited | Tanzania | 76.20% | 23.80% | 76.20% | 23.80% |
| | | | | | | |
| | **Special purpose entity:** | | | | | |
| | Staff Investment Trust | Nigeria | 100.00% | 0.00% | 100.00% | 0.00% |

**ii Indirect investment in Subsidiaries**

| | | Country of incorporation | Ownership interest Dec-24 | NCI Dec-24 | Ownership interest Dec-23 | NCI Dec-23 |
|---|---|---|---|---|---|---|
| 1 | Guaranty Trust Bank Rwanda Limited | Rwanda | 67.20% | 32.80% | 67.20% | 32.80% |
| 2 | Guaranty Trust Bank Uganda Limited | Uganda | 70.00% | 30.00% | 70.00% | 30.00% |

The subsidiaries and sub-subsidiaries of GTBank Nigeria Limited are all involved in banking business only.

(a) GTB Gambia was incorporated in April 2001 and commenced operations in March 2002.

(b) GTB Sierra Leone was incorporated in September 2001 and commenced operations in January 2002.

(c) Guaranty Trust Bank (Ghana) was incorporated in October 2004 and commenced operations in March 2006.

(d) Guaranty Trust Bank (UK) Limited was incorporated in February 2007 and commenced operations in January 2008.

(e) Guaranty Trust Bank (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009.

(f) Guaranty Trust Bank (Cote D'Ivoire) is Guaranty Trust Bank Plc's first subsidiary in Francophone West Africa. The Bank was licensed by the Central Bank of Cote D'Ivoire to offer banking services to the Ivorian public and commenced operations on April 16, 2012.

(g) The Bank extended its regional presence in Africa in December 2013 by acquiring 70% stake in Fina Bank Limited, a commercial bank incorporated in Kenya with subsidiaries in Uganda and Rwanda. The bank has been re-branded as Guaranty Trust Bank Kenya Limited.

(h) Guaranty Trust Bank (Tanzania) was incorporated in July 14th 2016 and commenced operations in December 2017 to spread its delivery of superior financial services to its East African customers.

(i) Staff Investment Trust (SIT) is the Special Purpose Vehicle (SPV) set up to operate the Share-Based Payment compensation scheme of the Bank.

**Non - controlling interest of significant subsidiaries**

The following relates to the Company's accumulated non-controlling interest and profit or loss allocated to non-controlling interest for significant subsidiaries for the year ended 31 December 2024:

| | Significant subsidiaries | Principal place of business | Accumulated Non-controlling Interest | | Profit or loss Allocated to Non-controlling Interest | |
|---|---|---|---|---|---|---|
| In thousands of Nigerian Naira | | | Dec-24 | Dec-23 | Dec-24 | Dec-23 |
| | | | | | | |
| 1 | Guaranty Trust Bank Gambia Limited | Gambia | 9,932,580 | 5,370,793 | 4,356,318 | 1,451,613 |
| 2 | Guaranty Trust Bank Sierra Leone Ltd | Sierra Leone | 8,577,654 | 3,570,193 | 2,958,837 | 689,197 |
| 3 | Guaranty Trust Bank Ghana Limited | Ghana | 4,254,347 | 2,433,527 | 1,471,430 | 719,295 |
| 4 | Guaranty Trust Bank Liberia Limited | Liberia | 262,223 | 116,746 | 110,542 | 52,741 |
| 5 | Guaranty Trust Bank Kenya Limited | Kenya | 31,657,412 | 16,634,784 | 2,951,418 | 2,170,622 |
| 6 | Guaranty Trust Bank Tanzania Limited | Tanzania | 2,075,517 | 1,314,097 | (265,585) | (8,045) |

**44. Related parties**

**(a) Related party transactions**

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

**(b) Subsidiaries**

Transactions between the Company and its subsidiaries also meet the definition of related party transactions. These transactions are eliminated on consolidation; hence, they are not disclosed in the consolidated financial statements.
As at 31 December 2024, GTBank Limited had receivables from its subsidiaries, which is shown below;

| In Nigerian Naira | Receivables from Subsidiaries Dec-24 | Dec-23 |
|---|---|---|
| | | |
| GTBank Kenya | 3,124,150 | 358,716 |
| GTBank Sierra Leone | 8,744,297 | 14,306,973 |
| GTBank Gambia | 27,080,742 | 6,126,844 |
| GTBank Ghana | - | 8,714,709 |
| GTBank UK | 8,181,986 | 2,446,120 |
| GTBank Liberia | 1,789,875 | 194,226 |
| GTBank Tanzania | 20,739,131 | 83,362,250 |

GTBank Limited also received interest of ₦226,008,000 on its placement with GTBank UK (Dec 2023: ₦91,415,000).

**(c) Transactions with key management personnel**

The Group's key management personnel, and persons connected with them, are also considered to be related parties.

The definition of key management include the close family members of key personnel and any entity over which they exercise control. The key management personnel have been identified as the Assistant General Managers, Deputy General Managers, General Managers, Executive and Non-Executive directors of the Group. Close family members are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Holding Company Plc and its subsidiaries.

## (d) Risk assets outstanding 31 December 2024

During the year the Group granted various credit facilities to companies whose directors are also directors of Company (Director Related) 'or related to a Key Management Personnel (Insider Related) at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of ₦177,375,000 (31 December 2023:₦253,375,000 ) was outstanding on these facilities at the end of the year.

| Name of company /individual<br>In thousands of Nigerian Naira | Relationship | Facility type | Status | Nature of Security | Group Dec-2024 | Group Dec-2023 |
|---|---|---|---|---|---|---|
| Hassan Ibrahim | Director related (Bank) | Credit Card | Performing | Legal Mortgage | 52,227 | 228,282 |
| Rockwood Trading Company Ltd | Director related (Holdco) | Over Draft | Performing | Cash | 51,158 | 3,657 |
| Hassan Ibrahim | Director related (Bank) | Term Loan | Performing | Legal Mortgage | 73,990 | 21,436 |
| | | | | | | |
| | | | | | **177,375** | **253,375** |

## (e) Director/insiders related deposit liabiilties

| Name of company /individual<br>In thousands of Nigerian Naira | Relationship | Type of Deposit | Group Dec-2024 | Group Dec-2023 |
|---|---|---|---|---|
| Hassan Ibrahim | Director related (Bank) | Demand Deposit | - | 10,870 |
| Jaykay Pharmacy Limited | Director related (Holdco) | Demand Deposit | 43 | 42 |
| Hydrodive Nigeria Limited | Director related (Bank) | Demand Deposit | 4,825,201 | 1,927,906 |
| Barau Suleiman | Director related (Holdco) | Demand Deposit | 162,409 | - |
| Martins, Agnes Olatokunbo | Director related (Bank) | Demand Deposit | 100,703 | - |
| Olusanya, Olufunsho | Director related (Bank) | Demand Deposit | 2,973 | - |
| Omidire, Kolapo | Director related (Bank) | Demand Deposit | 9,980 | - |
| Oyinlola Hezekiah Adesola | Director related (Bank) | Demand Deposit | 9,031 | - |
| Jaykay Pharmaceutical & Chem. | Director related (Holdco) | Demand Deposit | 4 | 5 |
| Shuaib Ibrahim Dan | Director related (Bank) | Demand Deposit | 25,113 | - |
| Akpofure Imoni Lolia & Omesiri | Director related (Bank) | Demand Deposit | - | 1,420 |
| Adefala Victoria, Osondu | Director related (Bank) | Demand Deposit | 3,664 | 3,210 |
| Echeozo, Catherine Nwakaego | Director related (Holdco) | Demand Deposit | 330 | 9,540 |
| | | | **5,139,451** | **1,952,993** |

## (f) Subsidiaries' deposit account balances

| Name of company /individual<br>In thousands of Nigerian Naira | Relationship | Type of Deposit | Dec-2024 | Dec-2023 |
|---|---|---|---|---|
| GTB Sierra Leone | Subsidiaries | Domicilliary | 5,681 | 3,357 |
| GTB Ghana | Subsidiaries | Demand Deposit | 3,462 | 3,462 |
| GTB Ghana | Subsidiaries | Domicilliary | 182,032 | 107,572 |
| GTB Rwanda | Subsidiaries | Domicilliary | 59,663 | 1,025,327 |
| | | | | |
| | | | **250,838** | **1,139,718** |

**(g) Key management personnel and their immediate relatives engaged in the following transactions with the Group during the year:**

**Loans and advances:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Secured loans | 177,375 | 253,375 | 177,375 | 253,375 |

**Secured loans**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Total deposits | 5,139,451 | 1,952,993 | 5,139,451 | 1,952,993 |

Interest rates charged on balances outstanding are at rates that would be charged in the normal course of business. The secured loans granted are secured over real estate, equity and other assets of the respective borrowers. No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the end of the period.

.

**(h) Key management personnel compensation for the period comprises:**

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| | | | | |
| Wages and salaries | 1,581,577 | 1,439,080 | 399,333 | 361,665 |
| Post-employment benefits | 52,169 | 30,800 | 7,923 | - |
| Share-based payments | 540,806 | 249,841 | 149,985 | - |
| Increase /(decrease) in share appreciation rights | 4,925,263 | 3,809,529 | - | - |
| | **7,099,815** | **5,529,250** | **557,241** | **361,665** |

**(i)** (i) **Directors' remuneration**

Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Fees as directors[1] | 2,644,802 | 1,033,739 | 23,110 | 23,110 |
| Other allowances[1] | 232,481 | 241,149 | 84,125 | 60,018 |
| | 2,877,283 | 1,274,888 | 107,235 | 83,128 |
| Executive compensation[2] | 1,359,346 | 1,146,922 | 598,188 | 577,247 |
| | **4,236,629** | **2,421,810** | **705,423** | **660,375** |

[1]The figues above are included as part of director's remuneration disclosed in note 19 and does not constitute additional payment to directors
[2]Executive compensation are extract of the personnel expenses disclosed in note 17 and does not constitute additonal compensation paid to executives or top management staff

(ii) The directors' remuneration shown above includes:

| In thousands of Nigerian Naira | Company Dec-2024 | Company Dec-2023 |
|---|---|---|
| Chairman | 22,150 | 17,650 |
| Highest paid director | 471,075 | 456,529 |

(iii) The emoluments of all other directors fell within the following ranges:

| In thousands of Nigerian Naira | Company Dec-2024 | Company Dec-2023 |
|---|---|---|
| ₦6,500,001 - ₦11,000,000 | - | - |
| ₦13,000,001 - ₦13,500,000 | - | 1 |
| ₦13,500,001 - ₦22,500,000 | 2 | 2 |
| Above ₦22,500,001 | 4 | 3 |
| | **6** | **6** |

## 45 Contraventions

| INFRACTION | AMOUNT |
|---|---|
| **NIGERIA** | |
| Penalty paid in respect of 2023/2024 CBN's FX Examination on the Bank. | ₦18,000,000 |
| Penalty paid in respect of Consumer Protection Regulations. | ₦56,000,000 |
| Penalty paid in respect of 2024 Compliance Related/Bank e-Mail Returns | ₦149,250,000 |
| Penalty paid in respect of 2024 CBN's Mystery Shopping Exercise on the Bank. | ₦160,400,000 |

| | |
|---|---|
| **GHANA** | |
| Breaching foreign exchange market operational guidelines | ₦1,261,859,000 |
| **GAMBIA** | |
| Non-attendance to a workshop on Risk Based Supervision (RBS) | ₦4,723,000 |
| **RWANDA** | |
| Non compliance noted with respect to the Bank taking fees which are not allowed by the regulator. | ₦579,000 |
| Non compliance with the exchange rate applied by commercial banks | ₦324,000 |
| Sanction on submittion of erroneous report to the Credit Reference Bureau regarding a bounced cheque. | ₦579,000 |
| Non-compliance of the charged prohibited fees relating to Financial Service Consumer Protection. | ₦579,000 |

## 46 Subsequent events

there were no other events subsequent, to the financial position date which require adjustments to, or disclosure in, these financial statements.

### Regulatory Requirements under the IFRS Regime

In addressing the challenges faced by the Nigerian Banking industry which was at the brink of a crisis as a result of spiral effects of the global financial meltdown, the CBN undertook a review of the prudential guidelines. In the revised guidelines, which became effective 1st of July, 2010, the CBN provided for the adaptation of the prudential guidelines to IFRS after it has been adopted in Nigeria. Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

(a) Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserve should be treated as follows:

i. Prudential Provisions is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve.

ii. Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

(b) The non-distributable reserve should be classified under Tier 1 as part of core capital.

The Group has fully complied with the requirements of the guidelines.

Provisioning as recommended by Prudential Guideline

Loan provisioning is segregated along two (2) categories as detailed below:

1. Loans other than Specialized Loans
   The provisioning policy for 'loans other than specialized loans' covers the following:
   i. Commercial Loans
   ii. Commodities Financing
   iii. Corporate Loans
   iv. Retail & Consumer Credits
   v. Facilities granted to Federal, State and Local governments and their parastatals.

vi. Facilities not specifically classified as specialized loans by the CBN.

The Group's provisioning benchmark for loans other than specialized loans is highlighted in the table below:

| No of Days Overdrawn | Classification | % Provision taken |
|---|---|---|
| 90 – 180 | Substandard | 10 |
| 180 – 360 | Doubtful | 50 |
| Over 360 | Lost | 100 |

As soon as an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loans does not fall in any of the above categories.

## 2. Specialized Loans

The provisioning policy for specialized loans covers the following:

i. Agriculture Finance
ii. Mortgage Loan
iii. Margin Loan
iv. Project Finance
v. Object Finance
vi. SME Loan
vii. Real Estate Loan (Commercial and Residential)

The Group's provisioning benchmarks are spelt out below under each of the specialized loan types:

i. Agriculture Finance
a. Agriculture Finance - short term facilities (purchase of seeds, fertilizers, WC, and other Inputs)

| Category | Classification | Days past due | % provision |
|---|---|---|---|
| 1 | Watchlist | Markup / interest or principal past due by up to 90days | 0% of total outstanding balance |
| 1A | Substandard | Markup / interest or principal past due by 90days to 1year | 25% of total outstanding balance |
| 2 | Doubtful | Markup / interest or principal past due by 1 to 1.5 years | 50% of total outstanding balance |
| 3 | Very Doubtful | Markup / interest or principal past due by 1.5 to 2 years | 75% of total outstanding balance |
| 4 | Lost | Markup / interest or principal past due by more than 2 years | 100% of total outstanding balance |

b. Agriculture Finance – long term facilities (Farm development finance, purchase of machinery, livestock financing)

| Category | Classification | Days past due | % provision |
|---|---|---|---|
| 1 | Watchlist | Markup / interest or principal past due by up to 90days | 0% of total outstanding balance |
| 1A | Substandard | Markup / interest or principal past due by 90days to 1year | 25% of total outstanding balance |
| 2 | Doubtful | Markup / interest or principal past due by 1 to 2years | 50% of total outstanding balance |
| 3 | Very Doubtful | Markup / interest or principal past due by 2 to 3 years | 75% of total outstanding balance |
| 4 | Lost | Markup / interest or principal past due by more than 3 years | 100% of total outstanding balance |

### ii. Mortgage Loans

| Category | Classification | Days past due | Treatment of Unrealised Markup / Interest income | % provision |
|---|---|---|---|---|
| 1 | Watchlist | Markup / Interest or principal Days past due by more than 90 days | Suspend | 0% of total outstanding balance |
| 2 | Substandard | Markup / interest or principal past due by more than 180days | Suspend | 10% of total outstanding balance |
| 3 | Doubtful | Markup / interest or principal past due by more than 1year | Suspend | Un-provided balance should not exceed 50% of NRV of security. |
| 4 | Lost | Markup / interest or principal past due by more than 2 years | Suspend | 100% of total outstanding balance |

### iii. Margin Loans

The shares backing margin facilities shall be marked to market on a daily basis in order to determine the potential loss in the portfolio. Provisions shall be made periodically for the excess of loan balance over the market value of the underlining shares. Any increase in the mark to market value from the previous valuation shall be recognized to the extent of the previous charge-off made.

**iv. Project Finance**

| Category | Classification | Days past due | Treatment of Income | % provision |
|---|---|---|---|---|
| 1 | Watchlist | Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due | Suspend interest and realize on cash basis | 0% of total outstanding balance |
| 1A | Substandard | Repayment below 60% of amount due or installment btw 180days to 2years past due | As above | 25% of total outstanding balance |
| 2 | Doubtful | Repayment below 60% of amount or installment overdue by 2 to 3 years | As above | 50% of total outstanding balance |
| 3 | Very Doubtful | Repayment below 60% of amount due or installment overdue by 3 to 4 years | As above | 75% of total outstanding balance |
| 4 | Lost | Repayment below 60% of amount due or installment overdue by more than 4 years | As above | 100% of total outstanding balance |

**v. Object Finance**

| **Category** | **Classification** | **Days past due** | **Treatment of Income** | **% provision** |
|---|---|---|---|---|
| 1 | Watchlist | Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due | Suspend interest and realize on cash basis | 0% of total outstanding balance |
| 1A | Substandard | Repayment below 60% of amount due or installment btw 180 to 1year past due | As above | 25% of total outstanding balance |
| 2 | Doubtful | Repayment below 60% of amount or installment overdue by 1 to 2 years | As above | 50% of total outstanding balance |
| 3 | Very Doubtful | Repayment below 60% of amount due or installment over due by 2 to 3 years | As above | 75% of total outstanding balance |
| 4 | Lost | Repayment below 60% of amount due or installment overdue by more than 3 years | As above | 100% of total outstanding balance |

vi. **SME Loan**

a. **SME Loan - SME short term facilities (Maturities of 1 year)**

| Category | Classification | Days past due | % provision |
|---|---|---|---|
| 1 | Watchlist | Markup / interest or principal past due by up to 90days | 0% of total outstanding balance |
| 1A | Substandard | Markup / interest or principal past due by 90days to 1year | 25% of total outstanding balance |
| 2 | Doubtful | Markup / interest or principal past due by 1 to 2years | 50% of total outstanding balance |
| 3 | Very Doubtful | Markup / interest or principal past due by 2 to 3 years | 75% of total outstanding balance |
| 4 | Lost | Markup / interest or principal past due by more than 3 years | 100% of total outstanding balance |

vii. **Real Estate Loan (Commercial and Residential)**

| Category | Classification | Days past due | Treatment of Income | % provision |
|---|---|---|---|---|
| 1 | Watchlist | Repayment on obligation between 60% and 75% of amount due or installment up to 180days past due | Suspend interest and realize on cash basis | 0% of total outstanding balance |
| 1A | Substandard | Repayment below 60% of amount due or installment btw 180 to 1year past due | As above | 25% of total outstanding balance |
| 2 | Doubtful | Repayment below 60% of amount or installment overdue by 1 to 2 years | As above | 50% of total outstanding balance |
| 3 | Very Doubtful | Repayment below 60% of amount due or installment over due by 2 to 3 years | As above | 75% of total outstanding balance |
| 4 | Lost | Repayment below 60% of amount due or installment overdue by more than 3 years | As above | 100% of total outstand-ing balance |

## (e) Statement of Prudential Adjustment

The GTBank Limited's provision level adequately meets the recommended provision by the Regulators. The reassesse CBN recommended provision as at Dec 31, 2024 amounted to ₦146,682,935,000. Of the amount recommended by the Central Bank of Nigeria, ₦41,042,797,000 largely relates to 2% General Loan Loss Provision on performing loans, while ₦2,028,242,000 relates to Other Known Losses. The Bank maintained a Regulatory Risk Reserve of ₦74,784,235,000 at the end of the year. Regulatory risk reserve represents the difference between the Central Bank of Nigeria (CBN) recommended Provision for Loan Losses under the Prudential Guideline and the Loan Impairment allowance determined in accordance with provisions of IFRS.

The Reconciliation between the CBN Recommended provisions and that under IFRS as at Dec 2024 is as shown in the table below:

| | In thousands of Nigerian Naira | Reference | Specific | General | Total |
|---|---|---|---|---|---|
| | | | | | |
| a | **Loans and Advances:** | | | | |
| | Provision per CBN Prudential Guidelines (including SMEEIS) | | 103,611,896 | 41,042,797 | 144,654,693 |
| | Provision for Other Known Losses – CBN recommended | | | | |
| | - Other known losses | | 2,028,242 | - | 2,028,242 |
| | **Total recommended provision per CBN (A)** | | **105,640,138** | **41,042,797** | **146,682,935** |
| | | | | | |
| | **Impairment allowance per IFRS 9:** | | | | |
| | (Stages 1,2,3) | (Note 27 & 28) | (89,034,143) | - | (89,034,143) |
| | Impairment on EuroBonds | (Note 25) | (8,748,416) | - | (5,169,886) |
| | Impairment on other financial assets | (Note 33) | (1,316,050) | - | (1,316,050) |
| | Impairment on Placements | (Note 22) | (3,903,968) | - | (2,341,064) |
| | Litigation claims provision | (Note 37) | (9,205,380) | - | (9,205,380) |
| | | | | | |
| | **Total IFRS Provision (B)** | | **(112,207,957)** | **-** | **(112,207,957)** |
| | | | | | |
| | **Required Amount in Risk Reserve (A-B)** | | | | **34,474,978** |
| | | | | | |
| | Amount in Regulatory Risk Reserve[1] | | | | 74,784,235 |
| | **Excess/Deficit over required regulatory provisions.** | | | | **(40,309,257)** |

[1]Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS

| b | **Movement in Regulatory Reserves** | | | | |
|---|---|---|---|---|---|
| | **In thousands of Nigerian Naira** | **Specific** | **General** | **Others** | **Total** |
| | Balance as at 1 January | - | 71,186,544 | 3,597,691 | 74,784,235 |
| | Movement during the year | 54,107,777 | (52,538,328) | (1,569,449) | - |
| | Balance, end of the year | 54,10,7777 | 18,648,216 | 2,028,242 | 74,784,235 |

## Income statements
## For 3 months ended 31 December 2024

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Interest income | 361,462,799 | 176,198,332 | - | - |
| Interest expense | (84,352,982) | (37,040,598) | - | - |
| **Net interest income** | **277,109,817** | **139,157,734** | **-** | **-** |
| Loan impairment charges | (73,105,377) | (13,488,413) | - | - |
| **Net interest income after loan impairment charges** | **204,004,440** | **125,669,321** | **-** | **-** |
| Fee and commission income | 40,998,729 | 32,843,664 | 958,986 | 1,133,347 |
| Fee and commission expense | (9,842,104) | (5,894,867) | - | - |
| **Net fee and commission income** | **31,156,625** | **26,948,797** | **958,986** | **1,133,347** |
| Net gains on financial instruments classified as held for trading | 25,964,869 | 33,014,561 | - | - |
| Other income | (78,327,952) | 94,075,783 | 279,669,681 | 255,729 |
| Net impairment loss on financial assets | (27,341,401) | (35,882,823) | - | - |
| Personnel expenses | (13,871,788) | (7,521,182) | (457,732) | (400,648) |
| Depreciation and amortization | (13,525,739) | (9,391,047) | (50,584) | (23,913) |
| Other operating expenses | (81,278,827) | (50,808,379) | (102,742) | (51,339) |
| **Profit before income tax** | **46,780,227** | **176,105,031** | **280,017,609** | **913,176** |
| Income tax expense | (113,980,178) | (3,867,395) | (250,926) | (681,758) |
| **Profit for the period** | **(67,199,951)** | **172,237,636** | **279,766,683** | **231,418** |
| | | | | |
| | | | | |
| Profit attributable to: | | | | |
| Equity holders of the parent entity | (69,551,232) | 170,695,737 | 279,766,683 | 231,418 |
| Non-controlling interests | 2,351,281 | 1,541,899 | - | - |
| | **(67,199,951)** | **172,237,636** | **279,766,683** | **231,418** |
| Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the period (expressed in naira per share): | | | | |
| - Basic | (2.37) | 6.15 | 9.38 | 0.01 |
| - Diluted | (2.37) | 6.15 | 9.38 | 0.01 |

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

### Statements of other comprehensive income
### For 3 months ended 31 December 2024

| In thousands of Nigerian Naira | Group Dec-2024 | Group Dec-2023 | Company Dec-2024 | Company Dec-2023 |
|---|---|---|---|---|
| Profit for the period | (67,199,951) | 172,237,636 | 279,766,683 | 231,418 |
| Other comprehensive income: | | | | |
| Other comprehensive income not to be reclassified to profit or loss in | | | | |
| subsequent periods: | | | | |
| Net change in fair value of equity investments FVOCI | 451,301 | - | - | - |
| | **451,301** | **-** | **-** | **-** |
| | | | | |
| Remeasurements of post-employment benefit obligations | 7,806,739 | 5,622,571 | - | - |
| Income tax relating to remeasurements of post-employment benefit obligations | (2,342,022) | (1,686,771) | - | - |
| | **5,464,717** | **3,935,800** | **-** | **-** |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | |
| Foreign currency translation differences for foreign operations | (34,014,068) | 49,357,574 | - | - |
| Income tax relating to foreign currency translation differences for foreign operations | 10,204,221 | (14,807,272) | - | - |
| Net change in fair value of financial assets FVOCI | (17,196,945) | (7,632,281) | - | - |
| Income tax relating to Net change in fair value of financial assets FVOCI | 5,159,083 | 1,113,984 | - | - |
| | (35,847,709) | 28,032,005 | - | - |
| Other comprehensive income for the period, net of tax | (29,931,691) | 31,967,805 | - | - |
| **Total comprehensive income for the period** | **(97,131,642)** | **204,205,441** | **279,766,683** | **231,418** |
| | | | | |
| Profit attributable to: | | | | |
| | | | | |
| Equity holders of the parent entity | (97,448,829) | 200,061,725 | 279,766,683 | 231,418 |
| Non-controlling interests | 317,187 | 4,143,716 | - | - |
| **Total comprehensive income for the period** | **(97,131,642)** | **204,205,441** | **279,766,683** | **231,418** |

### 37. Involvement with Unconsolidated Structured Entities

The table below describes the various investment funds which the Group does not consolidate but in which it holds interest. The funds are not consolidated because they are held in other entities which are considered as legally separate from the Group.

| Type of Investment funds | Nature and purpose | Revenues |
|---|---|---|
| Mutual Funds | - To generate fees arising from managing assets on behalf of third party investors.<br>- These vehicles are financed through the issue of units to investors. | Investments in units issued by the funds from which the Group earns Management Fees |
| - Retirement Savings Accounts (RSAs);<br>- Approved Existing Schemes;<br>- Closed Pension Fund Administrators | - To generate fees arising from managing pension contributions and investing same in safe and high yield investment opportunities on behalf of Pension Contributors.<br>- To seamlessly handle benefit payment to Retirees | Administrative and Management Fees earned by the Group on the Net asset Value of the Funds under Management |

The table below sets out an anlysis of the Investment funds managed by the Group, their Assets Under Management, and the carrying amounts of interest held by the Group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the Group.

**Assets under Management (AuM) - Guaranty Trust Fund Managers Limited**

| In thousands of Nigerian Naira | Asset under Management | | Interest Held by the Group | |
|---|---|---|---|---|
| **Investment funds** | **Dec-24** | **Dec-23** | **Dec-24** | **Dec-23** |
| Guaranty Trust Money Market Fund | 47,886,680 | 20,355,812 | 195,108 | 122,794 |
| Guaranty Trust Investment Fund 724 | 161,273 | - | 150,000 | |
| Guaranty Trust Guaranteed Income Fund | 11,846,892 | 11,164,911 | 128,324 | 168,704 |
| Guaranty Trust Balanced Fund | 3,106,074 | 2,776,814 | - | - |
| Guaranty Trust Dollar Fund | 77,300,768 | 25,473,343 | 134,609 | 119,373 |
| Guaranty Trust Equity Income Fund | 618,453 | 585,902 | 53,524 | 40,914 |
| **TOTAL** | **140,920,141** | **60,356,784** | **661,565** | **451,785** |

**Funds under Management (FuM) - Guaranty Trust Pension Managers Limited**

| In thousands of Nigerian Naira | Funds under Management | |
|---|---|---|
| | **Dec-24** | **Dec-23** |
| Retirement Savings Account Fund Classes: | | |
| Fund I | 711,088 | 197,167 |
| Fund II | 49,576,021 | 37,996,225 |
| Fund III | 11,102,196 | 5,943,874 |
| Fund IV | 2,026,224 | 1,724,829 |
| Fund V | 13,875 | 5,086 |
| Fund VI | 251,653 | 49,034 |
| TCF1 And Reconiliation | 492,293 | 616,351 |
| Privately Managed Funds: | | |
| Approved Existing Schemes | 39,116,540 | 33,882,334 |
| **TOTAL** | **103,289,891** | **80,414,899** |

[1] Transitional Contribution Fund- A Nominal Retirement Savings Account for any employee that has failed to open RSA within a period of six months, to enable the remmitance of pension contributions by Employer.

### 7. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Guaranty Trust Holding Company Plc** maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

## Value Added Statements
### For the Year ended 31 December 2024

| Group | Dec-2024 | | | | Dec-2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Continuing operations | Discontinued operations | Total | | Continuing operations | Discontinued operations | Total | |
| In thousands | | | | % | | | | % |
| **Gross earnings** | **2,148,337,258** | **-** | **2,148,337,258** | | **1,186,465,425** | **-** | **1,186,465,425** | |
| | | | | | | | | |
| Interest expense: | | | | | | | | |
| -Local | (165,174,827) | - | (165,174,827) | | (79,804,129) | - | (79,804,129) | |
| - Foreign | (118,040,663) | - | (118,040,663) | | (34,254,414) | - | (34,254,414) | |
| | | | | | | | | |
| | **1,865,121,768** | **-** | **1,865,121,768** | | **1,072,406,882** | **-** | **1,072,406,882** | |
| Loan impairment charges / Net | | | | | | | | |
| impairment loss on financial assets | (164,329,699) | - | (164,329,699) | | (197,945,659) | - | (197,945,659) | |
| | 1,700,792,069 | - | 1,700,792,069 | | 874,461,223 | - | 874,461,223 | |
| Bought in materials and services | | | | | | | | |
| - Local | (284,510,102) | - | (284,510,102) | | (176,190,084) | - | (176,190,084) | |
| - Foreign | (6,605,180) | - | (6,605,180) | | (4,769,973) | - | (4,769,973) | |
| | | | | | | | | |
| **Value added** | **1,409,676,787** | **-** | **1,409,676,787** | **100** | **693,501,166** | **-** | **693,501,166** | **100** |
| | | | | | | | | |
| **Distribution** | | | | | | | | |
| **Employees** | | | | | | | | |
| - Wages, salaries, pensions, gratuity and other employee benefits | 85,397,889 | - | 85,397,889 | 6 | 45,097,281 | - | 45,097,281 | 7 |
| | | | | | | | | |
| **Government** | | | | | | | | |
| - Taxation | 248,443,224 | - | 248,443,224 | 18 | 69,653,768 | - | 69,653,768 | 10 |
| | | | | | | | | |
| **Retained in the Group** | | | | | | | | |
| - For replacement of Property and equipment / intangible assets (depreciation and amortisation) | 58,032,825 | - | 58,032,825 | 4 | 39,095,443 | - | 39,095,443 | 6 |
| -Profit for the year (including non - controlling interest, statutory and regulatory risk reserves) | 1,017,802,849 | - | 1,017,802,849 | 73 | 539,654,674 | - | 539,654,674 | 77 |
| | **1,409,676,787** | **-** | **1,409,676,787** | **100** | **693,501,166** | **-** | **693,501,166** | **100** |

## Value Added Statements
### For the Year ended 31 December 2024

| Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Dec-2024 | | | | Dec-2023 | | |
| | Continuing operations | Discontinued operations | Total | | Continuing operations | Discontinued operations | Total | |
| **In thousands of Nigerian Naira** | | | | % | | | | % |
| **Gross earnings** | **367,664,083** | **-** | **367,664,083** | | **109,735,273** | **-** | **109,735,273** | |
| | | | | | | | | |
| Interest expense: | | | | | | | | |
| -Local | - | - | - | | - | - | - | |
| - Foreign | - | - | - | | - | - | - | |
| | | | | | | | | |
| | **367,664,083** | **-** | **367,664,083** | | **109,735,273** | **-** | **109,735,273** | |
| Loan impairment charges / Net impairment loss on financial assets | - | - | - | | - | - | - | |
| | **367,664,083** | **-** | **367,664,083** | | **109,735,273** | **-** | **109,735,273** | |
| Bought in materials and services | | | | | | | | |
| - Local | (322,342) | - | (322,342) | | (354,432) | - | (354,432) | |
| - Foreign | - | - | - | | - | - | - | |
| | | | | | | | | |
| **Value added** | **367,341,741** | **-** | **367,341,741** | **100** | **109,380,841** | **-** | **109,380,841** | **100** |
| | | | | | | | | |
| **Distribution** | | | | | | | | |
| | | | | | | | | |
| **Employees** | | | | | | | | |
| - Wages, salaries, pensions, gratuity and other employee benefits | 1,474,269 | - | 1,474,269 | 0.5 | 1,301,639 | - | 1,301,639 | 1 |
| | | | | | | | | |
| **Government** | | | | | | | | |
| - Taxation | 1,042,894 | - | 1,042,894 | 0.4 | 1,581,672 | - | 1,581,672 | 1 |
| | | | | | | | | |
| Retained in the Bank | | | | | | | | |
| - For replacement of Property and equipment / intangible assets (depreciation and amortisation) | 119,727 | - | 119,727 | 0.1 | 95,654 | - | 95,654 | - |
| - Profit for the year (including statutory and regulatory risk reserves) | 364,704,851 | - | 364,704,851 | 99 | 106,401,876 | - | 106,401,876 | 98 |
| | | | | | | | | |
| | **367,341,741** | **-** | **367,341,741** | **99** | **109,380,841** | **-** | **109,380,841** | **100** |

## Five Year Financial Summary
## Statements of Financial Position

| Group<br>In thousands of Nigerian Naira | Dec-2024 | Dec-2023 | Dec-2022 | Dec-2021 | Dec-2020 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and bank balances | 4,673,048,120 | 2,309,618,698 | 1,621,101,169 | 933,591,069 | 745,557,370 |
| Financial assets at fair value through profit or loss | 59,602,997 | 28,066,613 | 128,782,374 | - | - |
| Financial assets held for trading | - | - | - | 104,397,651 | 67,535,363 |
| Derivative financial assets | - | 28,961,143 | 33,913,351 | 24,913,435 | 26,448,550 |
| **Investment securities:** | | | | | |
| - Fair Value through profit or loss | 5,508,086 | 3,947,850 | 3,904,458 | 3,904,458 | 3,273,771 |
| - Fair Value through other comprehensive Income | 2,495,063,888 | 894,064,002 | 357,704,355 | 276,041,190 | 693,371,711 |
| - Held at amortised cost | 1,647,724,053 | 1,571,317,478 | 863,421,525 | 846,923,215 | 283,582,832 |
| Assets pledged as collateral | 114,570,075 | 86,552,701 | 80,909,062 | 79,273,911 | 62,200,326 |
| Loans and advances to banks | 87,794 | 66,935 | 54,765 | 115,014 | 99,043 |
| Loans and advances to customers | 2,785,664,040 | 2,480,183,368 | 1,885,798,639 | 1,802,587,381 | 1,662,731,699 |
| Restricted deposits and other assets | 2,574,084,654 | 2,012,815,346 | 1,232,611,251 | 1,137,554,208 | 1,226,481,116 |
| Property and equipment | 330,232,049 | 224,298,652 | 197,860,484 | 203,971,924 | 148,782,835 |
| Intangible assets | 81,244,113 | 33,076,038 | 29,411,898 | 19,573,604 | 19,872,523 |
| Deferred tax assets | 28,876,962 | 18,285,854 | 10,983,098 | 3,187,937 | 4,716,154 |
| **Total assets** | **14,795,706,831** | **9,691,254,678** | **6,446,456,429** | **5,436,034,997** | **4,944,653,293** |
| | | | | | |
| **Liabilities** | | | | | |
| Deposits from banks | 388,420,244 | 136,053,409 | 125,229,187 | 118,027,576 | 101,509,550 |
| Deposits from customers | 10,013,021,406 | 7,410,834,190 | 4,485,113,979 | 4,012,305,554 | 3,509,319,237 |
| Financial liabilities at fair value through profit or loss | 51,174,468 | 809,342 | 1,830,228 | - | - |
| Derivative financial liabilities | 10,759,624 | - | 4,367,494 | 1,580,971 | 2,758,698 |
| Other liabilities | 1,020,285,051 | 493,325,925 | 724,902,202 | 231,519,271 | 356,222,575 |
| Current income tax liabilities | 186,665,408 | 41,303,351 | 35,307,860 | 22,676,168 | 21,592,016 |
| Other borrowed funds | 310,021,046 | 72,119,485 | 126,528,105 | 153,897,499 | 113,894,768 |
| Deferred tax liabilities | 103,341,970 | 59,680,905 | 12,028,172 | 12,800,866 | 24,960,772 |
| **Total liabilities** | **12,083,689,217** | **8,214,126,607** | **5,515,307,227** | **4,552,807,905** | **4,130,257,616** |

### Capital and reserves attributable to equity holders of the parent entity

| | | | | | |
|---|---|---|---|---|---|
| Share capital | 17,069,475 | 14,715,590 | 14,715,590 | 14,715,590 | 14,715,590 |
| Share premium | 329,229,161 | 123,471,114 | 123,471,114 | 123,471,114 | 123,471,114 |
| Treasury shares | (11,289,600) | (8,125,998) | (8,125,998) | (8,125,998) | (6,928,103) |
| Retained earnings | 1,319,841,616 | 580,033,938 | 214,858,054 | 198,358,025 | 193,921,810 |
| Other components of equity | 1,000,407,229 | 737,547,106 | 567,085,367 | 535,938,145 | 473,434,457 |
| **Capital and reserves attributable to equity holders of the parent entity** | **2,655,257,881** | **1,447,641,750** | **912,004,127** | **864,356,876** | **798,614,868** |
| Non-controlling interests in equity | 56,759,733 | 29,486,321 | 19,145,075 | 18,870,216 | 15,780,809 |
| **Total equity** | **2,712,017,614** | **1,477,128,071** | **931,149,202** | **883,227,092** | **814,395,677** |
| | | | | | |
| **Total equity and liabilities** | **14,795,706,831** | **9,691,254,678** | **6,446,456,429** | **5,436,034,997** | **4,944,653,293** |

## Five Year Financial Summary Cont'd
## Statements of comprehensive income

| Group<br>In thousands of Nigerian Naira | Dec-2024 | Dec-2023 | Dec-2022 | Dec-2021 | Dec-2020 |
|---|---|---|---|---|---|
| Interest income | 1,341,801,663 | 550,755,128 | 325,399,662 | 266,893,743 | 300,737,588 |
| Interest expense | (283,215,490) | (114,058,543) | (66,096,535) | (46,281,121) | (47,069,441) |
| **Net interest income** | **1,058,586,173** | **436,696,585** | **259,303,127** | **220,612,622** | **253,668,147** |
| Loan impairment charges | (136,661,978) | (102,953,282) | (11,986,545) | (8,531,155) | (19,572,893) |
| **Net interest income after loan impairment charges** | **921,924,195** | **333,743,303** | **247,316,582** | **212,081,467** | **234,095,254** |
| Fee and commission income | 221,231,208 | 124,162,260 | 90,612,848 | 74,123,774 | 53,179,802 |
| Fee and commission expense | (31,519,796) | (14,733,765) | (13,155,560) | (8,472,981) | (6,244,554) |
| **Net fee and commission income** | **189,711,412** | **109,428,495** | **77,457,288** | **65,650,793** | **46,935,248** |
| Net gains on financial instruments classified as held for trading | 86,237,811 | 62,201,192 | 40,282,341 | 22,390,669 | 24,486,177 |
| Other income | 499,066,576 | 449,346,845 | 82,940,046 | 84,402,399 | 76,826,192 |
| **Total other income** | **585,304,387** | **511,548,037** | **123,222,387** | **106,793,068** | **101,312,369** |
| **Total operating income** | **1,696,939,994** | **954,719,835** | **447,996,257** | **384,525,328** | **382,342,871** |
| Net impairment reversal / (charge) on other financial assets | (27,667,721) | (94,992,377) | (35,944,565) | (760,795) | 3,190,517 |
| **Net operating income after net impairment loss on financial assets** | **1,669,272,273** | **859,727,458** | **412,051,692** | **383,764,533** | **385,533,388** |
| Personnel expenses | (85,397,889) | (45,097,281) | (36,076,627) | (33,430,007) | (37,606,138) |
| Right-of-use asset depreciation | - | - | - | - | (2,108,645) |
| Depreciation and amortisation | (58,032,825) | (39,095,443) | (35,467,168) | (35,300,097) | (29,046,513) |
| Other operating expenses | (259,595,486) | (166,226,292) | (126,353,803) | (93,536,753) | (78,677,022) |
| **Total expenses** | **(403,026,200)** | **(250,419,016)** | **(197,897,598)** | **(162,266,857)** | **(147,438,318)** |
| **Profit before income tax** | **1,266,246,073** | **609,308,442** | **214,154,094** | **221,497,676** | **238,095,070** |
| Income tax expense | (248,443,224) | (69,653,768) | (44,980,657) | (46,658,189) | (36,655,130) |
| **Profit for the year** | **1,017,802,849** | **539,654,674** | **169,173,437** | **174,839,487** | **201,439,940** |

**Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the year (expressed in naira per share):**

| | | | | | |
|---|---|---|---|---|---|
| - Basic | 35.44 | 19.07 | 5.95 | 6.14 | 7.11 |
| - Diluted | 35.44 | 19.07 | 5.95 | 6.14 | 7.11 |

## Five Year Financial Summary
## Statements of Financial Position

| Company<br>In thousands of Nigerian Naira | Dec-2024 | Dec-2023 | Dec-2022 | Dec-2021 | Dec-2020* |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and bank balances | 210,095,331 | 60,169 | - | - | - |
| Financial assets at fair value through profit or loss | 59,602,997 | 28,066,613 | 128,782,374 | - | - |
| Financial assets held for trading | - | - | - | - | - |
| Derivative financial assets | - | - | - | - | - |
| Investment securities: | | | | | |
| – Fair Value through profit or loss | - | - | - | - | - |
| – Fair Value through other comprehensive Income | - | - | - | - | - |
| – Held at amortised cost | - | - | - | - | - |
| Assets pledged as collateral | - | - | - | - | - |
| Loans and advances to banks | - | - | - | - | - |
| Loans and advances to customers | - | - | - | - | - |
| Restricted deposits and other assets | 250,238,501 | - | 144,538 | 1,407,460 | - |
| Investment in subsidiaries | 371,068,493 | 162,956,560 | 162,956,560 | 141,811,575 | - |
| Property and equipment | 1,134,728 | 798,270 | 893,924 | 496,969 | - |
| Intangible assets | - | - | - | - | - |
| Deferred tax assets | - | - | - | - | - |
| **Total assets** | **832,537,053** | **163,814,999** | **163,995,022** | **143,716,004** | **-** |
| | | | | | |
| **Liabilities** | | | | | |
| Deposits from banks | - | - | - | - | - |
| Deposits from customers | - | - | - | - | - |
| Financial liabilities at fair value through profit or loss | - | - | - | - | - |
| Financial liabilities held for trading | - | - | - | - | - |
| Derivative financial liabilities | - | - | - | - | - |
| Other liabilities | 221,179,425 | 16,483,941 | 26,043,503 | 6,076,055 | - |
| Current income tax liabilities | 71,639 | 88,692 | - | - | - |
| Other borrowed funds | - | - | - | - | - |
| Deferred tax liabilities | 134,065 | 11,862 | - | - | - |
| **Total liabilities** | **221,385,129** | **16,584,495** | **26,043,503** | **6,076,055** | **-** |

### Capital and reserves attributable to equity holders of the parent entity

| | | | | | |
|---|---|---|---|---|---|
| Share capital | 17,069,475 | 14,715,590 | 14,715,590 | 14,715,590 | - |
| Share premium | 329,229,161 | 123,471,114 | 123,471,114 | 123,471,114 | - |
| Retained earnings | 255,978,288 | 168,800 | (9,110,185) | (546,755) | - |
| Other components of equity | 8,875,000 | 8,875,000 | 8,875,000 | - | - |
| **Capital and reserves attributable to equity holders of the parent entity** | **611,151,924** | **147,230,504** | **137,951,519** | **137,639,949** | **-** |
| | | | | | |
| **Total equity and liabilities** | **832,537,053** | **163,814,999** | **163,995,022** | **143,716,004** | **-** |

*The Holding Company was not in existence in 2020 financial year

## Five Year Financial Summary Cont'd
## Statements of comprehensive income

| **Company**<br>**In thousands of Nigerian Naira** | **Dec-2024** | **Dec-2023** | **Dec-2022** | **Dec-2021** | **Dec-2020*** |
|---|---|---|---|---|---|
| Interest income | - | - | - | - | - |
| Interest expense | - | - | - | - | - |
| **Net interest income** | **-** | **-** | **-** | **-** | **-** |
| Loan impairment charges | - | - | - | - | - |
| **Net interest income after loan impairment charges** | **-** | **-** | **-** | **-** | **-** |
| Fee and commission income | 3,487,220 | 3,487,220 | 2,092,332 | - | - |
| Fee and commission expense | - | - | - | - | - |
| **Net fee and commission income** | **3,487,220** | **3,487,220** | **2,092,332** | **-** | **-** |
| Other income | 364,176,863 | 106,248,053 | 88,293,538 | 8,829,354 | - |
| **Total other income** | **364,176,863** | **106,248,053** | **88,293,538** | **8,829,354** | **-** |
| Total Operating income | 367,664,083 | 109,735,273 | 90,385,870 | 8,829,354 | - |
| Net impairment reversal / (charge) on other financial assets | - | - | - | - | - |
| **Net operating income after net impairment loss on financial assets** | **367,664,083** | **109,735,273** | **90,385,870** | **8,829,354** | **-** |
| Personnel expenses | (1,474,269) | (1,301,639) | (1,283,312) | (353,877) | - |
| Depreciation and amortisation | (119,727) | (95,654) | (88,025) | (35,886) | - |
| Other operating expenses | (322,342) | (354,432) | (409,425) | (156,992) | - |
| **Total expenses** | **(1,916,338)** | **(1,751,725)** | **(1,780,762)** | **(546,755)** | **-** |
| **Profit before income tax** | **365,747,745** | **107,983,548** | **88,605,108** | **8,282,599** | **-** |
| Income tax expense | (1,042,894) | (1,581,672) | - | - | - |
| **Profit for the period** | **364,704,851** | **106,401,876** | **88,605,108** | **8,282,599** | **-** |

### Earnings per share for the profit from continuing operations attributable to the equity holders of the parent entity during the year (expressed in naira per share):

| | | | | | |
|---|---|---|---|---|---|
| - Basic | 12.23 | 3.62 | 3.01 | 0.28 | - |
| - Diluted | 12.23 | 3.62 | 3.01 | 0.28 | - |

*The Holding Company was not in existence in 2020 financial year

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# Other Information

- Operational Risk Management
- Share Capital and Dividend History
- GTCO Plc Leadership Team
- Corporate Directory
- Directors, Officers and Professional Advisers
- Proxy Form
- E-Mandate Form

# Operational **Risk Management**

GTCO defines Operational Risk (OpRisk) as "the direct or indirect risk of loss resulting from inadequate and/or failed internal processes, people, systems or from external events" These risks originate from the actions of the Group's people, its processes and systems, and the activities of interested parties and events that have direct or indirect impact on the Group.

In the Group, Operational Risk Management involves reviewing and monitoring all strategies and initiatives deployed in people management, process engineering and re-engineering, technology investment and deployment, engagement of third-party services, and response to major disruptions and external threats in the Banking and non-banking subsidiaries.

## Management of Operational Risk Management

The Group is exposed to various operational risks across its operations and manages these risks by using recent and modern qualitative and quantitative techniques in its risk-mitigating strategies. The following practices, tools, methodologies, and techniques have been deployed to further integrate the Operational Risk Management culture across the Group. These techniques aid the identification, assessment, measurement, control, monitoring, and reporting of these risks.

These processes have been identified below in accordance with the relevant operational risk type.

## Risk and Control Self-Assessment (RCSA)

RCSA is a form of qualitative risk assessment, whereby risks that are inherent in a business strategy, objectives, and activities are identified by the respective process owners in each entity under the Group. The effectiveness of controls over the identified risks is evaluated and monitored. The RCSA may be conducted through workshops, interviews, questionnaires, or by a hybrid process. The causative factor of the risks identified is rated by the probability of occurrence and its impact on the Group. Action plans for addressing the risks are recommended while the operational risk team in each subsidiary monitors to ensure the plans are implemented.

RCSA exercise assesses and examines operational risks at inherent and residual levels and the effectiveness of controls used to mitigate them. Generally, these assessments enable risk identification within the Group to enhance risk profiling and risk mapping processes. Risk mitigants and controls are also reviewed to determine their effectiveness.

A detailed risk register cataloging key risks identified and the control for implementation is also developed and maintained from this process.

## Key Risk Indicators (KRI)

KRI identifies and measures the level of risk that a specific action exposes the Group to, considering its risk profile, the effectiveness of implemented controls, and the management of potential risk exposures. The indicators are early warning signals used to identify potential problems that may negatively impact the performance of the Group. The Group has a KRI Dashboard that contains indicators used in monitoring and measuring risks across all the entities. Each Indicator has a set of thresholds, and where the indicator's value breaches the threshold, remedial action is required. The set thresholds are in line with the Group's risk appetite.

Essentially, KRIs track operational risk trends across the Group. Medium to High-risk trends are reported by Risk Management to the Board quarterly, while monthly reports are circulated to Management.

## Loss Incident Reporting

Loss Data Collation is the process of gathering data from operational risk events. These can be actual, prevented, or potential loss events that can disrupt business, create financial loss, or lead to reputational damage. Losses can emanate from various Operational Risk Incidents, and the major sources and corresponding tools for identification are summarized below:

| BASEL Categories | Risk Source | Key Tools for Identification / Assessment |
|---|---|---|
| Internal Fraud | From the activities of the Group's personnel as a result of dishonesty or intentional actions:<br>**Unauthorised Activity**<br>Transactions not reported intentionally; unauthorized transactions; mis-marking of positions | • Internal Fraud KRI analysis<br>• Internal & External Loss Data Collation/ Analysis<br>• Transaction reviews<br>• RCSAs<br>• Review of past cases<br>• Process Review (SOPs etc)<br>• Review of Investigation / Audit Reports<br>• Whistle Blow Portal |
| | **Theft & Fraud**<br>Fraud, credit fraud, theft, extortion, robbery, misappropriation of assets, malicious destruction of assets, forgery, cheque kiting, impersonation, smuggling, fake deposits, bribery; embezzlement, insider trading, etc. | |
| External Fraud | From the activities of external parties that cause damage to the Group:<br>**Theft & Fraud**<br>Theft / Robbery; forgery; cheque kiting; | • External fraud KRI analysis<br>• Transaction review (External Loss Data analysis<br>• RCSAs<br>• Review of past cases<br>• Process review<br>• Review of Investigation / Audit Reports |
| | **Systems Security**<br>Hacking damage; theft of information; compromise of confidential information for financial gain; Ransomware; DDoS | • Review of Documentation Classification/Control procedure<br>• Analysis of Internal/External Data & reports<br>• Internet surfing<br>• ISG/ Technology reports<br>• Risk Assessment reports |
| Employment Practices & Workplace Safety | From acts inconsistent with employment, health, or safety laws or agreements:<br><br>**Employee Relations**<br>Compensation, benefits, termination issues, mistreatment of employees leading to resignation, discrimination issues, litigation, etc. | • HR Policy<br>• Environmental Scanning - best practice<br>• RCSAs<br>• OpRisk Assessments, Analysis of KRIs<br>• Review details of Exit interviews<br>• Review details of Whistle Blowing<br>• New Branch Assessments<br>• Staff survey (Questionnaires) |
| | **Safe Environment**<br>General liability (Slip & Fall etc.) Employee health & safety issues | |
| Clients, Products, & Business Practices | Results from business practices, the introduction of a product, and the accessing of a customer's information that is inappropriate or noncompliant with regulations:<br><br>**Suitability, Disclosure & Fiduciary**<br>Fiduciary breaches; Disclosure issues (KYC); Breach of privacy; Misuse of confidential customer information; Breach of common law/obligation | • Document Classification/Control<br>• SLA reviews<br>• Review of past cases of infractions |

| | | |
|---|---|---|
| | **Improper Business or Market Practices**<br>Antitrust; Market manipulation; Insider trading; Money laundering | • Document Classification/Control<br>• SLA reviews<br>• Review of past cases of infractions |
| | **Product Flaws**<br>Product defects (unauthorized); Model errors | New/existing product risk assessments |
| | **Selection, Sponsorship & Exposure**<br>Failure to confirm the client's compliance with guidelines/regulations | • 3rd-Party Risk Assessment<br>• Review Compliance reports<br>• External Data Collation/Analysis |
| Damage to Physical Assets | Results from Damage to the Group's Physical Assets:<br><br>**Disasters & Other Events**<br>Natural Disasters; Terrorism; Vandalism; Riots; Conflagration; Political Uprisings | • Monitor External Global/Local Events<br>• Testing of Emergency Response Plans / BCP<br>• Testing of Backup facilities<br>• Scenario analysis |
| Business Disruption & System Failure | Results from disruption of business or system failure:<br><br>**Systems**<br>Hardware; Software; Telecommunications; Utility Outage / Disruptions | • Monitor External Global / Local Events<br>• Review of SLAs of technology vendors<br>• Review reports on Backup facilities |
| Execution, Delivery & Process Management | Results from failed transaction processing or process management:<br><br>**Transaction Capture, Execution/ Maintenance**<br>Miscommunication; Data entry errors; Loading errors; Missed deadlines; Accounting errors; Delivery failures; Inappropriate improvements in operation; Drawing incomprehensive contracts/ legal documents | • Review Process Automation<br>• Business Process Analysis<br>• RCSAs<br>• Review Data Capture procedure (promote automation) |
| | **Monitoring & Reporting**<br>Failed mandatory reporting obligations, Inaccurate external report | • Analysis of KRIs<br>• Check procedure for review of external reports<br>• Process Risk Assessments |
| | **Customer Intake & Documentation**<br>Client permissions/disclaimers missing; Legal documents missing / incomplete | • Documentation Review<br>• Process Risk Assessment |
| | **Customer Account Management**<br>Unapproved access is given to accounts.<br>Incorrect client records; Damage to client asset | • Root Cause Analysis (Customer Complaints): |
| | Vendors & Suppliers<br>Outsourcing: Vendor disputes | • Vendor Risk Assessment (SLA reviews)<br>• Analysis of External Events |

Actual or potential losses resulting from any of the above incidents are reported by the business line where the loss emanated or impacted to the Operational Risk Team in their subsidiary. Thus, the financial loss impact of each business unit in the Group is known, as well as the key contributory factors to those losses. The critical losses per entity in the Group are also sent to the Risk and Compliance Group in the Holding Company.

## Business Continuity Management (BCM) in line with ISO 22301:2019 Standard

In guaranteeing the resilience of the Group's business to any disruptive incidence, the Group has a robust Business Continuity Management System (BCMS). The system enables the timely resumption of critical business activities with minimal financial loss or reputational damage. The Group's BCMS reduces the impact of incidents that can lead to business disruption and includes a plan that details all recovery procedures for disruptive incidents and strategies. Additionally, the Disaster Recovery Procedures to cater to Information Technology-related incidents are defined and periodically tested for veracity. The Group has implemented the Contingency Funding Plan, which establishes procedures that will ensure that liquidity is properly managed during crises.

A part of the BCMS is a Business Continuity Plan (BCP), which is reviewed and updated periodically to ensure the reliability and relevance of information according to global best practices. Various BCP testing and training programs are conducted group-wide at predetermined and ad-hoc timelines to ensure that recovery coordinators are aware of their roles and responsibilities, validate the effectiveness of recovery strategy, enhance staff readiness for managing potential disruptions, and ultimately guarantee that the Group remains a going concern.

## Occupational Health and Safety Procedure Initiatives

In line with ISO 45001 and global best practices, the Group commits to ensuring the health, safety, and welfare of all staff, customers, and 3rd parties visiting the premises of the subsidiaries. To ensure the safety of staff and visitors to its premises, the Operational Risk team in the subsidiaries conducts periodic Branch Risk Assessments and Fire Risk Assessments to identify health and safety hazards and recommend adequate control measures for identified risks. The subsidiaries across the Group are mandated to conduct fire drills every quarter. For areas with high-security risks, Table Talk Fire Drills have also been introduced to ensure staff are apprised of their roles and responsibilities during emergency evacuations.

Health and Safety-related incidents reported to Operational Risk Management in the subsidiaries are thoroughly investigated for the identification of causal factors and the implementation of appropriate mitigants to prevent reoccurrence. In addition, awareness of health and safety issues is presented periodically on the intranet and other forums across the banking and non-banking subsidiaries.

The Group places a high priority on fostering a safe and secure environment through proactive risk management, regular assessments, and compliance with statutory and international safety standards.

Operational Risk Champions & BCM Champions – Members of staff from various subsidiaries within the Group are designated Operational Risk ambassadors and Business Continuity Champions after undergoing intensive Operational Risk management training. They drive the integration of Ops Risk standards, practices, and culture in their respective subsidiaries, thereby fostering a culture of accountability and vigilance across the Group.

## Fraud Risk Management

Fraud is an intentional act committed to secure an unfair or unlawful advantage that might lead to financial loss, reputational damage, and other losses to the victim. The Group has deployed different control measures to ensure the prompt identification of fraud attempts and that the successful incidents are flagged for immediate investigations and remediation.

Fraud events are identified through incident reports received from subsidiaries in the Group, business units, internal and external whistle-blowing platforms, audit or spot-check reports, e-mails, letters, and reports. The analysis of these incidents is conducted to identify causative factors and points of failure with the sole aim of enhancing control in the environment.

The outcome is reported in the Operational Risk Status reports circulated to the Board, Management, and key stakeholders of the Group, ensuring that the processes for preventing, deterring, and detecting fraud and forgery incidents, and sanctioning offenders are effective and efficient.

## Information, Cyber Security, and Data Privacy Risk Management

Improving business scaling techniques and optimizing customer loyalty are critical factors in creating a growth strategy for any financial institution, which in some cases relies on the adoption of evolving technologies. The financial institutions are then challenged to ensure all critical assets are protected and defended against those threats, which, at the baseline, only need to find a single weak point to exploit.

GTCO strongly prioritizes information security and Data privacy controls, reinforcing its cyber defense with sophisticated security monitoring tools for timely threat detection and response. The Group has adopted innovative security practices in alignment with international best practices such as being certified to the ISO 27001 standard, Payment Card Security Standard (PCIDSS) amongst other globally accepted standards and practices e.g. strong vulnerability management processes, identity and access management application and processes in place to adequately cater for the infrastructure's security.

The Group is dedicated to safeguarding sensitive information and minimizing data breach incidents. Guided by the Nigerian Data Protection Act (NDPA) and General Data Protection Regulation (GDPR), the organization has implemented a comprehensive data protection program, framework, and robust data privacy strategy into every process to maintain a commendable compliance level, thereby fostering great relationships with regulators spanning from a learning and partnership point.

## Reputational Risk Management

To ensure a holistic framework is implemented, Operational Risk Management also monitors Reputational and Strategic Risks.

The Group regards reputation risk as the risk of loss arising from the adverse perception of its activities by customers, counterparties, investors, or regulators. Reputational risk is not modeled in isolation but considered throughout the Group's risk review process. Its identification is achieved through the monitoring of certain parameters that indicate a high level of threat to the brand.

These parameters include adverse media mention, increase in customer complaints, corporate and social responsibility activities of the Group, availability of the Group's products and services to the public, share price movement relative to peers, etc. It is linked with the customers' expectations regarding the Group's ability to conduct business securely and responsibly.

A detailed template with internal and external factors that might impact the Group adversely is used to monitor the Group's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

Quantifying the actual losses arising from events relating to reputational risks, as well as the capital charge, can be challenging. However, the Group adopted a methodology that assesses the likely impact of negative publicity on the total deposit of the Group and the corresponding impact on earnings.

## Strategic Risk Management

GTCO and its subsidiaries consider strategic risk as the risk of likely losses arising from poor strategic decisions, inappropriate execution of strategies, inadequate resource allocation, and inability to promptly respond to a changing operating landscape. Strategic risk is identified using trend analysis, scenario planning, environmental scanning, and assumption testing.

The Group employs the use of Key Performance Indicators (KPIs) to measure strategic risk. Some of the critical KPIs considered include Profit Evolution, Revenue Generation and Mix, Cost Management, Margin Metrics, Asset Quality, Risk Asset Mix, Liquidity Level, Capital Level, etc.

The KPIs for measuring strategic risk also form the core of the Group's risk appetite tolerance limits, which define the risk preference of the Board, given the available capital resources.

Strategic risk is managed at the top and executed through annual strategic business reviews and performance scorecards, setting of risk tolerance and triggers to define the bank's risk appetite, monitoring of "actual" performance against strategic plans & budgets, quarterly board business meetings, and the periodic publication of the Group's financial performance.

## Legal Risk Management

Operational Risk Management monitors and identifies potential consequences of failure in our internal process and people that may expose the Group to lawsuits. The operational risk incidents that gave rise to these lawsuits are monitored while mitigants are proposed to prevent a re-occurrence. In addition, the potential losses from these lawsuits are adequately tracked.

Emerging trends and significant legal risk exposures are documented and included in the Monthly and Quarterly Operational Risk Status Reports, which are shared with the Board, Senior management, and key stakeholders. This structured approach ensures the timely identification of vulnerabilities, supports informed decision-making, and reinforces the Group's commitment to regulatory compliance and operational integrity.

## Operational Risk Management Philosophy and Principles

**Approach to Managing OpRisk** – The Group continues to adopt operational risk procedures and practices that are "fit for purpose". This increases the efficiency and effectiveness of the Group's resources, minimizes losses, and maximizes opportunities.

This outlook entrenches OpRisk practices in the Group's day-to-day business activities.

The Group adopts an Operational Risk Management framework that fits into its culture but also reflects sound practices recommended by various local regulators across the subsidiaries. It also adopts the framework of globally accepted regulatory agencies such as Basel II & III Accord's "Sound Practices for the Management and Supervision of Operational Risk", Committee of Sponsoring Organizations (COSO), and the International Organization for Standardization (ISO).

**Operational Risk Capital Calculation** – In line with the directive of the CBN, the Group maintains the Basic Indicator Approach (BIA) under Basel II Pillar 1 for the calculation of its Operational Risk Economic Capital for internal risk monitoring and decision-making. However, the Group has the required OpRisk loss data to migrate to other capital calculation methods, i.e., the Standardized Approach. The Group reports its OpRisk Capital Charge to the Board and Management for guidance in Capital Planning and decision-making.

**Governance Structure** – The Board, through the Board Risk Management and Investment Committee, continues to oversee the operational risk function in the Group and reviews OpRisk reports quarterly. The Committee ensures that the OpRisk policy is robust and provides an updated framework for the Group's OpRisk profile and limits.

It also determines the adequacy and completeness of the Group's risk detection, measurement systems, and mitigants and lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored, and measured.

The Risk, Compliance, and Investment Committee continues to monitor and ensure the implementation of the guiding OpRisk framework.

All process owners within the banking and non-banking subsidiaries are responsible for the day-to-day management of OpRisk prevalent in their respective operational activities.

The Internal Audit function conducts an independent review of the implementation of OpRisk policies and procedures.

## Treatment of Operational Risks

The Group employs a variety of risk treatment strategies to mitigate identified operational risks. These mitigants are applied to achieve a residual risk level aligned with the Group's risk tolerances. In line with the best practices, the cost of risk treatments introduced must not exceed the reward. OpRisk treatment options adopted by the Group include Risk Acceptance / Reduction, Risk Transfer, Risk Sharing, and Risk Avoidance.

**Operational Risk Reporting** – To ensure prompt decision-making, Weekly, Monthly, Quarterly, and ad-hoc reports are circulated by the operational risk officers in the Group to their relevant stakeholders, highlighting key operational risks identified for awareness and the timely implementation of mitigation strategies. Reports are also generated and circulated on a need basis.

# Share Capital and Dividend History

| Share Capitalization History | | | | | | |
|---|---|---|---|---|---|---|
| YEAR | AUTHORISED | CUMMULATIVE | ISSUED | CUMMULATIVE | TOTAL ISSUED SHARES | CONSIDERATION |
| 2021 | NIL | 50,000,000,000 | NIL | 29,431,179,224 | 29,431,179,224 | Scheme Consideration |
| 2022 | NIL | 29,431,179,224 | NIL | 29,431,179,224 | 29,431,179,224 | S. 124 CAMA Cancellation |
| 2023 | NIL | 29,431,179,224 | NIL | 29,431,179,224 | 29,431,179,224 | NIL |
| 2024 | 15,000,000,000 | 44,431,179,224 | 4,705,800,290 | 34,136,979,514 | 34,136,979,514 | Public Offer |

| Dividend History | | | | |
|---|---|---|---|---|
| Dividend No. | Dividend Type | Financial Year Ended | Total Dividend Amount Declared | Dividend Per Share |
| Payment 57 | Final | 09-04-21 | 79,464,183,904.80 | 270 kobo |
| Payment 58 | Interim | 12-10-21 | 8,829,353,767.20 | 30 kobo |
| Payment 59 | Final | 08-04-22 | 79,464,183,904.80 | 270 kobo |
| Payment 60 | Interim | 30-09-22 | 8,829,353,767.20 | 30 kobo |
| Payment 61 | Final | 11-05-23 | 82,407,301,827.20 | 280 kobo |
| Payment 62 | Interim | 25-09-23 | 14,715,589,612.00 | 50 kobo |
| Payment 63 | Final | 09-05-24 | 79,464,183,904.80 | 270 kobo |
| Payment 64 | Interim | 07-10-24 | 29,431,179,224.00 | 100 kobo |

# GTCO Plc Leadership Team

GTCO Plc Executive Leadership Team and Senior Management

| Name | Positions |
|---|---|
| **Mr. J. K. Agbaje** | Group Chief Executive Officer |
| **Mr. A. I. Adeniyi** | Group Chief Financial Officer |
| **Mrs. O. S. Adegite** | Group Communications Officer |
| **Mr. E. E. Obebeduo** | Group General Counsel/Company Secretary |
| **Mrs. M. T. Olafimihan** | Head, Group Facilities |
| **Mrs. N. Lawal** | Head, Group Data & Analytics |

# Corporate Directory

1. **Registered Address**
   Guaranty Trust Holding Company Plc
   Plot 635, Akin Adesola Street,
   Victoria Island,
   Lagos, Nigeria

   Website: www.gtcoplc.com

   Telephone: +234 2012 714 580

   Contact e-mail: ir@gtcoplc.com

2. **Nigeria-domiciled Operating Entities:**

| Name | Head Office Address | Website |
| --- | --- | --- |
| **Guaranty Trust Bank (Nigeria) Limited** | Plot 635, Akin Adesola Street,<br>Victoria Island,<br>Lagos, Nigeria | www.gtbank.com |
| **Guaranty Trust Fund Managers Limited** | 171, Moshood Olugbani Street,<br>off Ligali Ayorinde Street,<br>Victoria Island,<br>Lagos, Nigeria | www.gtfundmanagers.com |
| **Guaranty Trust Pension Managers Limited** | 172B, Moshood Olugbani Street,<br>off Ligali Ayorinde Street,<br>Victoria Island,<br>Lagos, Nigeria | www.gtpensionmanagers.com |
| **HabariPay Limited** | 171, Moshood Olugbani Street,<br>off Ligali Ayorinde Street,<br>Victoria Island,<br>Lagos, Nigeria | www.habaripay.com |

3. **West Africa-domiciled Operating Entities:**

| Name | Head Office Address | Website |
| --- | --- | --- |
| **Guaranty Trust Bank (Ghana) Limited** | 25A, Castle Road,<br>Ambassadorial Area,<br>P.M.B CT 416, Cantonments,<br>Ambassadorial Area, Ridge<br>Ghana | www.gtbghana.com |
| **Guaranty Trust Bank (Côte d'Ivoire) Limited** | Riviera Palmeraie Triangle,<br>Abidjan - Cocody<br>Lot 391 Ilot 36 TF 125.019<br>Côte d'Ivoire | www.gtbankci.com |
| **Guaranty Trust Bank (Liberia) Limited** | 13th Street, Tubman Boulevard,<br>Monrovia, Liberia | www.gtbanklr.com |
| **Guaranty Trust Bank (Sierra Leone) Limited** | Sparta Building,<br>12 Wilberforce Street,<br>Freetown, Sierra Leone | www.gtbank.sl |
| **Guaranty Trust Bank (Gambia) Limited** | 56, Kairaba Avenue, Fajara KSMD,<br>P.O. Box 1958 Banjul, Gambia | www.gtbankgambia.com |

**4. East Africa-domiciled Operating Entities:**

| Name | Head Office Address | Website |
|---|---|---|
| **Guaranty Trust Bank (Kenya) Limited** | Plot 1870, Woodvale Close<br>Westlands<br>P.O Box 20613 – 00200<br>Nairobi, Kenya | www.gtbank.co.ke |
| **Guaranty Trust Bank (Uganda) Limited** | Plot 56, Kiira Road<br>P. O. Box 7323 Kampala, Uganda. | www.gtbank.co.ug |
| **Guaranty Trust Bank (Rwanda) Limited** | Ground and First Floor MIC Building<br>KN 2 Avenue, 1370<br>Kigali – Rwanda | www.gtbank.co.rw |
| **Guaranty Trust Bank (Tanzania) Limited** | Plot 4, Regent Estate, Victoria,<br>Dar es Salaam, Tanzania | www.gtbank.co.tz |

**5. United Kingdom-domiciled Operating Entities:**

| Name | Head Office Address | Website |
|---|---|---|
| **Guaranty Trust Bank (U.K) Limited** | 10 Great Castle Street<br>W1W 8TF, United Kingdom | www.gtbankuk.com |

## Directors, Officers and Professional Advisers

**Directors**

1. Mr. H. A Oyinlola - Chairman, Board of Directors
2. Mr. J. K. Agbaje - Group Chief Executive Officer
3. Mr. S. Barau - Independent Non-Executive Director
4. Mrs. H. L. Bouygues- Independent Non-Executive Director
5. Mrs. C. N. Echeozo - Non-Executive Director
6. Mr. A. I. Adeniyi - Executive Director

**Group General Counsel/**
**Company Secretary**
Mr. E. E. Obebeduo
FRC/2017/NBA/00000016024

**Registered Office**
Plot 635, Akin Adesola Street, Victoria Island, Lagos State

**Auditors**
Ernst & Young 10th Floor, UBA House 57, Marina, Lagos State

**Registrar & Transfer Office**
Datamax Registrars Limited 2c, Gbagada Expressway, Gbagada Phase 1,
Lagos State
Tel: +234 1 7120008-11
Fax: +234 1 7120012
Email: datamax@datamaxregistrars.com

# PROXY FORM

**4th ANNUAL GENERAL MEETING** to be held virtually on Thursday, April 24, 2025, at 10 a.m.

I/We ______________________________________________

being a member/members of Guaranty Trust Holding Company Plc

hereby appoint ______________________________________*

or failing him/her Mr. Hezekiah Adesola Oyinlola or Mr. Segun Agbaje, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, April 24, 2025, and at any adjournment thereof.

Signature of Shareholder

Name of Shareholder

**GUARANTY TRUST HOLDING COMPANY PLC RC 1690945**

| NUMBER OF SHARES: | | |
|---|---|---|
| **RESOLUTIONS** | **FOR** | **AGAINST** |
| **Ordinary Business:** | | |
| To receive the Audited Financial Statements for the year ended December 31, 2024, and the Reports of the Directors, Auditors and Statutory Audit Committee thereon. | | |
| To declare a dividend[1] | | |
| To authorise Directors to fix the remuneration of the Auditors[2] | | |
| To disclose the Remuneration of Managers of the Company | | |
| To elect Members of the Statutory Audit Committee | | |
| **Special Business:** | | |
| To consider and approve as an Ordinary Resolution of the Company:<br><br>"That, in compliance with the Rule of the Nigerian Exchange Limited governing transactions with Related Parties or Interested Persons, the Company and its related entities ("The Group") be and are hereby granted a General Mandate in respect of all recurrent transactions entered into with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day to day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held". | | |
| That Non-Executive Directors remuneration for the financial year ending December 31, 2025 and for succeeding years until reviewed by the Company in its Annual General Meeting, be and is hereby fixed at N58,000,000.00 (fifty-eight million Naira only) for each Director. | | |
| Please mark the appropriate box with an "X" to indicate how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her/its discretion. | | |

**ADMISSION CARD**
Fourth Annual General Meeting to be held on Thursday, April 24, 2025, virtually, at 10 a.m.

Name of Shareholder (in BLOCK CAPITALS):

Surname: ..............................................

First name: ..............................................

Name of Proxy: ..............................................

Shareholder's Account No: ..............................................

Number of Shares ..............................................

**IMPORTANT**

**NOTES:**

1. A member of the Company is entitled to attend and vote at the Annual General Meeting of the Company. He/She/It is also entitled to appoint a proxy to attend and vote instead of him/her/it, and in this case, the above card is required for the appointment of a proxy.

2. Please date, sign and post the proxy form to reach the registrar not less than 48 hours before the time appointed for the Annual General Meeting, at their office, Datamax Registrars Limited, at No. 2C, Gbagada Express Road, Gbagada Phase 1, Lagos State. If executed by a corporate body, the proxy form should be sealed with the Common Seal or under the hand and seal of its attorney.

3. In line with the current practice, the names of two Directors of the Company have been entered on the Proxy Form to ensure that someone will be at the meeting to act as proxy. You may however wish to insert in the blank space on the form (marked "*") the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of one of the named Directors.

4. It is a requirement of the law under the Stamp Duties Act, Cap. A8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be duly stamped in accordance with the provisions of the Stamp Duties Act

1. N7.30K for every 50 Kobo Ordinary Share;
2 Ernst & Young are the External Auditors of the Company

Affix Current Passport Photo

Please write your name at the back of your passport photograph

DataMax
DataMax Registrars Limited
RC 645075

# E-MANDATE ACTIVATION FORM

**Only Clearing Banks are acceptable**

## Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

**The Registrar,**
**DataMax Registrars Limited**
2C, Gbagada Expressway,
By Beko Ransome Kuti Park,
Gbagada,
P.M.B 10007, Shomolu,
Lagos State.

**Kindly tick & quote your shareholder account no in the box below**

| Tick | Name of Company | Shareholder Number |
|---|---|---|
| | **Guaranty Trust Holding Company Plc.** | |

I/ We hereby request that you forward until further notice, all future dividend/ interest to which I/we become entitled for the company indicated, to the branch of the Bank named below.

**Bank Verification Number**

**Bank Name**

**Bank Account Number**

**Account Opening Date**

* **AUTHORISED SIGNATORY AND STAMP OF BANKERS**

* The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details and signature(s) is/are that of the shareholder(s) or an authorised signatory, before returning to the Registrars.

## Shareholder Account Information

** Surname / Company's Name First Name Other Names

** Please ensure that the name on your Bank Account corresponds with that in our records as any contrary Name(s) would void your request

Address:

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

*** Signature(s)

Company Seal/ Incorporation Number (Corporate Shareholder)

*** The signature(s) must correspond with your specimen held in our records as any contrary signature(s) or non-existence in our records would void your request.

When completed on behalf of a corporate body, each signatory should state the representative capacity e.g. Company Secretary, Directors etc.

I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby covenant to indemnify and forever keep indemnified the **security issuer, the directors, the security registrar, the directors and officers of the security registrar** from and against all losses in respect thereof and all claims, actions, proceedings, demands, cost, expenses whatsoever which may be made or brought against them by reason of compliance with this request **Help desk , Telephone No. Tel: 07064000751, 07064000752, 07064000758, 0700DATAMAX Email: datamax@datamaxregistrars.com www.datamaxgroup.ng or send e-mail to datamax@datamaxregistrars.com**

Please go to https://datamaxgroup.ng/legal-notice/ to see information about our privacy policy

**DATAMAX REGISTRARS LIMITED**

**www.datamaxgroup.ng; E-Mail: datamax@datamaxregistrars.com or the completed form can be submitted through any Bank nearest to you.**

**▪▪ DataMax Registrars Limited hereby disclaims liability or responsibility for any errors/omissions in any document transmitted electronically.**