

Infrastructure Credit Guarantee Company Plc

Annual Report

for the year ended 31 December 2025

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Corporate information

Directors			Nationality	
	Mr. Sanjeev Gupta	- Chairman	Indian	
	Mr. Chinua Azubike	- Managing Director/Chief Executive Officer	Nigerian	
	Mr. Daniel Mueller	-Executive-Director	American	
	Mr. Chris Vermont	-Independent Non-Executive Director	British	Retired 25 March 2025
	Mr. Banji Fehintola	-Non-Executive Director	Nigerian	
	Ms. Vivien Shobo	-Independent Non-Executive Director	Nigerian	
	Mr. Gilles Vaes	-Non-Executive Director	Belgian	
	Ms. Hamda Ambah	-Independent Non-Executive Director	Nigerian	
	Mr. Kolawole Owodunni	-Non-Executive Director	Nigerian	
	Ms. Ijeoma Taylaur	-Non-Executive Director	Nigerian	
	Mr. Michael Chilton	-Non-Executive Director	British	
	Mr. Boo Hock Khoo	-Independent Non-Executive Director	Malaysian	Appointed 14 August 2025
Registered office	Infrastructure Credit Guarantee Company Plc 1 Adeyemo Alakija Street, Victoria Island, Lagos Email: info@infracredit.ng Website: www.infracredit.ng			
Solicitor	Olaniwun Ajayi LP Plot L2, 401 Close, Banana Island, Ikoyi, Lagos. Email: lawyers@olaniwunajayi.net			
Auditor	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos. www.kpmg.com.ng			
Registrar	Cardinalstone Registrars Limited 335/337 Herbert Macaulay Road Yaba Lagos			
Bankers	Access Bank Plc Ecobank Nigeria Limited Guaranty Trust Bank Plc Stanbic IBTC Bank Plc United Bank for Africa Plc Standard Chartered Bank Limited			
RC Number	1368639			
TIN	20149675-0001			

Infrastructure Credit Guarantee Company Plc
Annual Report for the year ended
31 December 2025

Directors' report
for the year ended 31 December 2025

The Directors present their report on the affairs of Infrastructure Credit Guarantee Company Plc ("the Company") formerly known as Infrastructure Credit Guarantee Company Limited together with the audited financial statements and independent auditor's report for the year ended 31 December 2025.

1 Legal form

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

2 Principal activities

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

3 Operating results

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

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Gross earnings	38,891,267	26,913,577
Profit before minimum tax and income tax expense	9,966,746	61,558,548
Minimum tax	-	-
Profit after minimum tax	9,966,746	61,558,548
Income tax expense	(1,579,284)	(698,051)
Profit for the year	8,387,462	60,860,497

The decline in total profit for the year is primarily due to volatility in foreign exchange (FX) rates. Between December 2023 and December 2024, the FX rate moved from ₦951.79/\$ to ₦1,549/\$, resulting in unrealized net exchange gains of ₦50.73 billion in 2024. In the following year, from December 2024 to December 2025, the FX rate eased slightly from ₦1,549/\$ to ₦1,439.93/\$, leading to an unrealized net exchange loss of ₦9.02 billion. Despite this FX-driven impact, profit after tax (excluding unrealized exchange differences) rose significantly, from ₦10.13 billion in 2024 to ₦17.45 billion in 2025, representing a 72% increase in underlying profitability.

4 Dividend payment

During the year, at the annual general meeting (AGM) held on 11 April 2025, the shareholders approved the payment of a total cash dividend of ₦3.02 billion comprising ₦1.37 billion for all ordinary shares ranking for dividends for the year ended 31 December 2024 and ₦1.65 billion for all preference shares ranking for dividends for the year ended 31 December 2024.

5 Directors and their interests

The Directors who held office during the year are:

Name	Designation	Nationality	
Mr. Sanjeev Gupta	- Chairman	Indian	
Mr. Chinua Azubike	- Managing Director/Chief Executive Officer	Nigerian	
Mr. Daniel Mueller	- Executive-Director	American	
Mr. Chris Vermont	- Independent Non-Executive Director	British	Retired 25 March 2025
Mr. Banji Fehintola	- Non-Executive Director	Nigerian	
Ms. Vivien Shobo	- Independent Non-Executive Director	Nigerian	
Mr. Gilles Vaes	- Non-Executive Director	Belgian	
Ms. Hamda Ambah	- Independent Non-Executive Director	Nigerian	
Mr. Kolawole Owodunmi	- Non-Executive Director	Nigerian	
Ms. Ijeoma Taylaur	- Non-Executive Director	Nigerian	
Mr. Michael Chilton	- Non-Executive Director	British	
Mr. Boo Hock Khoo	- Independent Non-Executive Director	Malaysian	Appointed 14 August 2025

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

6 Directors' interests in contracts

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

7 Meetings of the Board of Directors

There were six (6) meetings of Board of Directors during the year.

8 Property and equipment

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

9 Shareholding analysis

On 29 August 2024, the shareholders approved the issuance of 11,166,313,150 ordinary shares of ₦1 each via private placement at a price of ₦2.43 per share. These shares were duly allotted upon completion of the private placement exercise on 2 April 2025.

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

31 December 2025	Number of ordinary shares held	Number of preference shares held	Total number of shares held	% Shareholding
Shareholders:				
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589	43.9%
Access ARM Pensions	5,370,000,000	-	5,370,000,000	14.1%
Africa Finance Corporation (AFC)	4,360,193,641	-	4,360,193,641	11.5%
CardinalStone	3,503,159,670	-	3,503,159,670	9.2%
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557	7.2%
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139	4.9%
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	-	1,214,703,876	3.2%
FCMB Pensions	683,500,000	-	683,500,000	1.8%
NUPEMCO Fund III	596,409,137	-	596,409,137	1.6%
VG Pensions RSA Fund	530,035,331	-	530,035,331	1.4%
Crusader Sterling Pensions	411,522,633	-	411,522,633	1.1%
First PCNNLPC PFA Limited	70,671,378	-	70,671,378	0.2%
FUNDCO Capital Managers Limited	1,000,000	-	1,000,000	0.0%
Others	15,001	-	15,001	0.0%
	26,421,392,875	11,648,812,077	38,070,204,952	100%

Infrastructure Credit Guarantee Company Plc
Annual Report for the year ended
31 December 2025

Directors' report
for the year ended 31 December 2025

Shareholding analysis-Continued

Capital redemption reserve

Nominal value of the preference shares	-	19,759,919,854	19,759,919,854
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Shares held in trust:

United Capital Trustees Limited (UCTL)	-	3,591,268,069	3,591,268,069
	26,421,392,875	35,000,000,000	61,421,392,875

During the year, the Company redeemed 9,952,067,699 and 9,807,852,155 preference share units attributable to AFC and InfraCo respectively. The preference shares were valued at USD 28.93 million and USD 25.72 million, respectively. These amounts include accrued preference dividends up to the respective dates of redemption. Refer to note 28 (c) and 29 for details.

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

10 Human Resources

Equal Opportunity Employer

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

All aspects of employment including the decision to hire, promote, discipline, or discharge, is based on merit, competence, performance, and business needs. The Company had no disabled person in its employment as at 31 December 2025 (December 2024: Nil).

Health, safety and welfare at work

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

Employee involvement and training

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

11 Events after the end of the reporting period

There are no other events after the reporting date which could have a material effect on the financial position of the Company as at 31 December 2025 and the financial performance for the year ended on that date that have not been adequately provided for or disclosed in the financial statements.

12 Donations and charitable gifts

No donation was made to any political party or organization during the year (31 December 2024: Nil).

13 Auditors

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

BY ORDER OF THE BOARD



Onwubere Chidinma Ihuoma
FRC/2015/NBA/002/00000011359
Company Secretary
20 February 2026

Statement of Directors' responsibilities in relation to the financial statements for the year ended 31 December 2025

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, and the Financial Reporting Council of Nigeria Act 2011 (as amended).

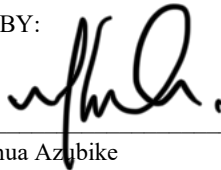
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Sanjeev Gupta
FRC/2023/PRO/DIR/003/071/816114
Chairman
20 February 2026

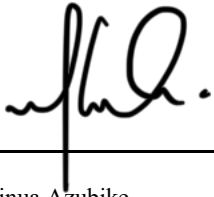


Chinua Azibike
FRC/2017/PRO/00000016559
Managing Director/Chief Executive Officer
20 February 2026

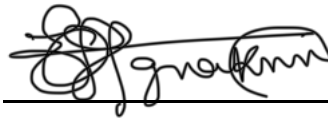
Statement of Corporate Responsibility for the Financial Statements for the year ended 31 December 2025

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA) 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of Infrastructure Credit Guarantee Company PLC for the year ended 31 December 2025 as follows:

- (a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2025.
- (b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2025.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, during the year ended 31 December 2025
- (e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves Management or other employees who have a significant role in the Company's internal control.



Chinua Azubike
FRC/2017/PRO/00000016559
Managing Director/Chief Executive Officer
20 February 2026



Collins Eguakun
FRC/2013/PRO/ICAN/001/00000000843
Chief Financial Officer
20 February 2026

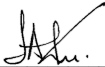
REPORT OF THE AUDIT COMMITTEE

To the Shareholders of Infrastructure Credit Guarantee Company PLC

In compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, the members of the Audit Committee of Infrastructure Credit Guarantee Company PLC hereby report on the financial statements for the year ended 31 December 2025 as follows:

1. We exercised our statutory functions under Section 404(7) of CAMA 2020 and acknowledge the confirmation by the Internal and External Auditors that Management and the Staff fully cooperated with them in the conduct of their audit responsibilities.
2. We confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
3. We reviewed the scope and planning of the internal and external audit requirements and found them adequate.
4. We reviewed the financial statements for the year ended 31 December 2025 and the findings on management matters in conjunction with the External Auditors, and the departmental responses thereon, and are satisfied with the explanations obtained.
5. We have kept under review the effectiveness of the company's system of accounting and internal control.

SIGNED ON BEHALF OF THE COMMITTEE



Ijeoma Taylaur
Chairperson, Audit Committee
FRC/2024/PRO/DIR/008/656385
20 February 2026

Members of the Audit Committee:

Ms. Ijeoma Taylaur	Shareholders' Representative	Chairperson
Ms. Yemisi Rotimi	Shareholders' Representative	Member
Mr. Olatunji Erinle	Shareholders' Representative	Member
Mr. Michael Chilton	Non-Executive Director	Member
Mr. Banji Fehintola	Non-Executive Director	Member



Shape the future
with confidence

Ernst & Young
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57 Marina, Lagos

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Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

Report of External Consultants on the Board Performance Evaluation of for Infrastructure Credit Guarantee Company Plc .

We have performed the evaluation of the Board of for Infrastructure Credit Guarantee Company Plc (“InfraCredit” or “the Company”) for 2023 and 2024 in accordance with the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018).

The Nigerian Code of Corporate Governance (NCCG) 2018 mandates registered Companies to undergo an annual evaluation of their corporate governance practices to ensure their governance standards, practices, and processes are adequate and effective. Subsection 15.1 of the Code requires that the evaluation should be facilitated by an independent external consultant at least once in three (3) years, while subsection 15.2 states that the summary of the report of this evaluation should be included in the Company’s annual report and on the investors’ portal of the Company.

Our approach included the review of for Infrastructure Credit Guarantee Company Plc’s Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one on one interviews with the Directors of the Company.

The appraisal is limited in nature, and as such may not necessarily disclose all significant matters about the Company or reveal irregularities in the underlying information.

Based on our work, and as noted below, the Board of Infrastructure Credit Guarantee Company Plc has complied with the requirements of Sections 14.1 and 15.1 of the Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018) for the year 2023 and 2024.

Specific recommendations for the further improvement of for Infrastructure Credit Guarantee Company Plc Corporate Governance practices have been articulated and included in our detailed report to the Board. These recommendations cover the following areas: Strategy, Quality of the Board, Board Operations, Board Risk Management Activities, Relationship with Stakeholders as well as Transparency and Disclosure.

For: Ernst & Young

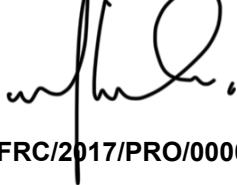
Abiodun Ogunoiki
Partner and Head Financial Services Risk Management, West Africa

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

I, Chinua Azubike, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Infrastructure Credit Guarantee Company Plc ("the Company");
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Company's other certifying officer and I:
 - 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, 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 IFRS Accounting Standards;
 - 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:
 - 1) That there are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Chinua Azubike



FRC/2017/PRO/00000016559

Chief Executive Officer

20 February 2026

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

I, Collins Eguakan, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Infrastructure Credit Guarantee Company Plc (“the Company”);
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Company’s other certifying officer and I:
 - 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, 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 IFRS Accounting Standards;
 - 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:
 - 1) That there are no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control system.
- f) The Company’s other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Collins Eguakan



FRC/2013/PRO/ICAN/001/00000000843

Chief Financial Officer

20 February 2026

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025

The management of Infrastructure Credit Guarantee Company Plc is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council of Nigeria Act, 2011 (as amended).

The management of Infrastructure Credit Guarantee Company Plc assessed the effectiveness of the internal control over financial reporting of the as of 31 December 2025 using the criteria set forth in Internal Control Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (“the COSO Framework”) and in accordance with the SEC and Financial Reporting Council of Nigeria Guidance on Implementation of Internal Control over Financial Reporting.

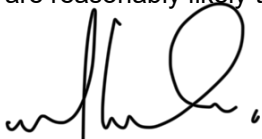
As of 31 December 2025, the management Infrastructure Credit Guarantee Company Plc did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of 31 December 2025, the Infrastructure Credit Guarantee Company Plc internal control over financial reporting was effective.

The Company’s independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified opinion on the effectiveness of the Company’s internal control over financial reporting as of 31 December 2025, based on the limited assurance engagement performed by them. KPMG Professional Services’ limited assurance report is included in the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company’s internal control over financial reporting.

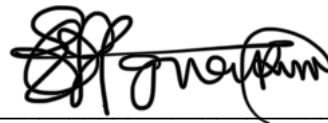


Chinua Azubuike

Chief Executive Officer

FRC/2017/PRO/00000016559

20 February 2026



Collins Eguakun

Chief Financial Officer

FRC/2013/PRO/ICAN/001/00000000843

20 February 2026



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Lagos

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Independent Auditor’s Limited Assurance Report

To the Shareholders of Infrastructure Credit Guarantee Company Plc

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

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Infrastructure Credit Guarantee Company Plc (“the Company”) as of 31 December 2025 is effective in accordance with the criteria established in the *Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“the COSO Framework”)* and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Infrastructure Credit Guarantee Company Plc’s internal control over financial reporting as of *31 December 2025* is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

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

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

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

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm’s address.



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

Other matter

We have audited the financial statements of Infrastructure Credit Guarantee Company Plc in accordance with the International Standards on Auditing, and our report dated 28 February 2026, expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

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

Our responsibilities

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

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

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

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

Definition and Limitations of Internal Control Over Financial reporting

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



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

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

A handwritten signature in black ink, appearing to read 'Obaloje'.

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

28 February 2026
Lagos, Nigeria

**KPMG Professional Services**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infrastructure Credit Guarantee Company Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infrastructure Credit Guarantee Company Plc (“the Company”), which comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate information, Director's report, statement of Director's responsibilities in relation to the financial statements for the year ended 31 December 2025, Statement of corporate responsibilities for the financial statements, Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting, Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025, Other national disclosures, capital management and supplementary financial information, but does not include the financial statements and our auditor's report thereon.



Other information also includes, Chairman's Statement, CEO's Statement, Board of Directors profile, Management profile, Corporate Governance report, Who we are, How We Have Performed, Awards & Achievements, Our Portfolio Companies, Development Impacts, 2025 Knowledge Exchange Programme, Sustainability at InfraCredit, Financial Highlights, What We Offer, How We Work, Business Model, Risk Management Framework, Board Evaluation, Our Divisions, together the "Outstanding Reports" which are expected to be made available to us after that date.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified opinion in our report dated 28 February 2026. That report is included in pages 13 to 15 of the annual report.

Signed:

Oseme J. Obaloje, FCA
FRC/2013/PRO/ICAN/004/00000004803
For: KPMG Professional Services
Chartered Accountants
28 February 2026
Lagos, Nigeria



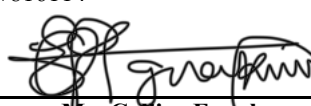


Statement of financial position

As at:

<i>In thousands of Naira</i>	Note	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	15	66,080,578	39,013,538
Investment securities	16	167,535,513	257,869,214
Guarantee fee receivable	17	12,174,783	8,770,252
Trade and other receivables	18	2,549,095	1,936,297
Prepayments	19	151,998	346,076
Property and equipment	20	596,089	423,466
Right-of-use asset	21	218,752	277,086
Intangible assets	22	273,074	124,464
Deferred tax asset	24	792,923	483,602
Total assets		250,372,805	309,243,995
Liabilities			
Current tax liability	14(c)	1,988,143	890,381
Financial guarantee liability	23	14,386,092	10,289,597
Other liabilities	25	2,524,249	3,961,263
Employee benefit obligation	26	1,783,294	1,417,937
Lease liability	27	82,461	64,803
Unsecured subordinated long-term loans	30	123,721,853	134,414,766
Total liabilities		144,486,092	151,038,747
Equity			
Ordinary share capital	28(a)	26,421,393	15,255,080
Share premium	28(e)	26,032,901	10,668,787
Irredeemable preference share capital	28(b)	8,022,905	8,022,905
Redeemable preference share capital	28(c)	3,625,907	23,385,829
Prepaid capital reserves	28(f)	842,757	-
Capital redemption reserve	28(g)	19,759,922	-
Retained earnings	29	21,180,928	100,872,647
Total equity		105,886,713	158,205,248
Total liabilities and equity		250,372,805	309,243,995

The financial statements were approved by the Board of Directors on the 20 February 2026 and signed on its behalf by:

 <hr style="width: 80%; margin: 0 auto;"/> <p>Mr. Chinua Azubike FRC/2017/PRO/00000016559 Managing Director/Chief Executive Officer</p>	 <hr style="width: 80%; margin: 0 auto;"/> <p>Mr. Sanjeev Gupta FRC/2023/PRO/DIR/003/071/816114 Chairman</p>	 <hr style="width: 80%; margin: 0 auto;"/> <p>Mr. Collins Eguakun FRC/2013/PRO/ICAN/001/00000000843 Chief Financial Officer</p>
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The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

For the year ended:

<i>In thousands of Naira</i>	Note	31 December 2025	31 December 2024
Gross revenue		38,891,267	26,913,577
Guarantee fee income	7	7,092,936	5,207,911
Guarantee fee expenses	8	(1,456,662)	(1,505,559)
		5,636,274	3,702,352
Interest income calculated using the effective interest method.	9(a)	29,568,538	21,705,666
Gain on disposal of financial assets	9(c)	2,229,793	-
Interest expense	9(b)	(8,536,335)	(6,674,335)
Impairment losses on financial instruments	10	(1,475,137)	(1,564,913)
Other income	11(a)	-	21,441
Foreign exchange (loss)/gain	11(b)	(9,017,315)	50,731,484
		18,405,818	67,921,695
Personnel expenses	12(a)	(4,768,891)	(3,584,625)
Depreciation of property and equipment	20	(179,257)	(105,545)
Depreciation of right of use asset	21	(58,334)	(31,006)
Amortisation of intangible asset	22	(2,954)	(10,382)
Other operating expenses	13	(3,429,636)	(2,631,589)
		(8,439,072)	(6,363,147)
Profit before minimum tax and income tax expense		9,966,746	61,558,548
Income tax expense	14(a)	(1,579,284)	(698,051)
Profit for the year		8,387,462	60,860,497
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income		8,387,462	60,860,497
Earnings per share			
Basic and diluted (Kobo)	14(d)	0.29	5.52

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

Infrastructure Credit Guarantee Company Plc
Annual Report for the year ended
31 December 2025

Statement of changes in equity
For the year ended 31 December 2025

<i>In thousands of Naira</i>	Share capital	Irredeemable preference capital	Redeemable preference capital	Share premium	Prepaid capital reserves	Capital redemption reserve	Retained earnings	Total
Balance at 1 January 2025	15,255,080	8,022,905	23,385,829	10,668,787	-	-	100,872,647	158,205,248
Total comprehensive income for the year								
Transfer from profit or loss and other comprehensive income	-	-	-	-	-	-	8,387,462	8,387,462
Total comprehensive income for the year	-	-	-	-	-	-	8,387,462	8,387,462
<i>Transactions with owners of Company:</i>								
Issue of additional ordinary shares (see 28(a&e))	11,166,313	-	-	15,967,825	-	-	-	27,134,138
Transaction cost on issue of shares (see 28(e))	-	-	-	(603,711)	-	-	-	(603,711)
Payment of ordinary dividend (see 29(a))	-	-	-	-	842,757	-	(1,372,957)	(530,200)
Payment of preference dividend (see 29)	-	-	-	-	-	-	(7,258,529)	(7,258,529)
Payment of dividend to preference shareholders at redemption (see note 29)	-	-	-	-	-	-	(3,423,655)	(3,423,655)
Transfer to capital redemption reserve (see note 28(c))	-	-	(19,759,922)	-	-	-	-	(19,759,922)
Transfer from redeemable preference shares(see note 28(g))	-	-	-	-	-	19,759,922	-	19,759,922
Redemption of AFC& InfraCo preference shares (see note 29)	-	-	-	-	-	-	(76,024,040)	(76,024,040)
	11,166,313	-	(19,759,922)	15,364,114	842,757	19,759,922	(88,079,181)	(60,705,997)
Balance at 31 December 2025	26,421,393	8,022,905	3,625,907	26,032,901	842,757	19,759,922	21,180,928	105,886,713
Balance at 1 January 2024	6,215,391	8,022,905	23,385,829	1,016,924	-	-	54,299,026	92,940,075
Total comprehensive income for the year								
Transfer from profit or loss and other comprehensive income	-	-	-	-	-	-	60,860,497	60,860,497
Total comprehensive income for the year	-	-	-	-	-	-	60,860,497	60,860,497
<i>Transactions with owners of Company:</i>								
Issue of additional ordinary shares (see 29(c))	9,039,689	-	-	9,672,467	-	-	-	18,712,156
Transaction cost on issue of shares	-	-	-	(20,604)	-	-	-	(20,604)
Payment of ordinary dividend 29(a)	-	-	-	-	-	-	(372,924)	(372,924)
Ordinary dividend declared	-	-	-	-	-	-	(1,864,617)	(1,864,617)
Payment of preference dividend (see 29(a&b))	-	-	-	-	-	-	(12,049,335)	(12,049,335)
	9,039,689	-	-	9,651,863	-	-	(14,286,876)	4,404,676
Balance at 31 December 2024	15,255,080	8,022,905	23,385,829	10,668,787	-	-	100,872,647	158,205,248

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

Statement of cash flows
For the year ended

<i>In thousands of Naira</i>	Notes	31 December 2025	31 December 2024
Cash flow from operating activities:			
Profit after tax		8,387,462	60,860,497
Income tax expenses	14(a)	1,579,284	698,051
Profit before tax		9,966,746	61,558,548
Adjustment for:			
Depreciation of property and equipment	20	179,257	105,545
Depreciation of right-of-use asset	21	58,334	31,006
Amortisation of intangible asset	22	2,954	10,382
Impairment loss on financial instruments	10	1,475,137	1,564,913
Exchange loss/(gain) on investment securities	34(j)	19,217,027	(92,321,925)
Exchange loss/(gain) on unsecured subordinated debts	34(j)	(10,199,712)	41,590,441
Write-off of work in progress	20	-	798
Interest income	9(a)	(29,568,538)	(21,705,666)
Gain on sale of property, plant and equipment	34(i)	-	(21,441)
Gain on disposal of financial assets	34(a)	(2,229,793)	-
Interest expense	9(b)	8,245,180	6,364,272
		(2,853,408)	(2,823,127)
Changes in:			
Trade and other receivables	34(c)	(1,377,498)	(1,791,748)
Prepayments	34(l)	194,078	(99,258)
Guarantee fee receivable	34(d)	(3,404,531)	(95,467)
Financial guarantee liability	34(b)	4,096,495	(76,003)
Lease liability	34(n)	17,658	16,200
Employee benefit obligation	34(o)	365,357	371,439
Other liabilities	34(e)	(1,465,474)	(156,012)
		(1,573,915)	(1,830,849)
Interest received	34(ai)	29,568,538	16,265,471
Interest paid	34(k)	(8,738,381)	(6,021,164)
Tax paid	14(c)	(790,843)	(510,459)
Net cash flows (used in) / generated from operating activities		15,611,992	5,079,872
Cash flow from investing activities:			
Acquisition of property and equipment	20	(351,880)	(248,698)
Proceeds from disposal of property and equipment	34(i)	-	310
Acquisition of intangible asset	22	(151,564)	(6,003)
Purchase of Financial assets	34(a)	(25,258,788)	-
Redemption of investment securities	34(a)	98,025,375	(3,900,894)
Net cash flows generated from / (used in) investing activities		72,263,143	(4,155,285)
Cash flow from financing activities:			
Proceeds from issue of share capital	34(f)	11,166,313	9,039,689
Share premium arising from issue of shares	28(e)	15,967,825	9,672,467
Transaction cost on issue of shares	28(e)	(603,711)	(20,604)
Preference dividend paid	34(m)	(7,258,529)	(12,049,335)
Ordinary dividend paid	34(m)	(501,740)	(372,924)
Proceeds from borrowings		-	24,373,791
Payment of lease liabilities	34(n)	-	(231,000)
Preference dividend paid at redemption	34(m)	(3,423,655)	-
Redemption of redeemable preference shares	34(h)	(76,024,040)	-
Net cash flows (used in) / generated from financing activities		(60,677,537)	30,412,084
Increase in cash and cash equivalents		27,197,598	31,336,671
Cash and cash equivalents at beginning of the year	15	39,054,899	7,718,228
Cash and cash equivalents at the end of the year	15	66,252,497	39,054,899

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

Notes to the financial statements

1 Reporting entity

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

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

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020, and the Financial Reporting Council of Nigeria Act, 2011 (as amended). The financial statements were authorized for issue by the Board of Directors on 20 February 2026.

(b) Functional and presentation currency

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

(c) Basis of measurement

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

(d) Going concern assumption

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

(e) Use of estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management. Revisions to estimates are recognised prospectively.

Judgement

Information about judgements made in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes.

See note 18: measurement of ECL allowance for trade receivables and contract assets- Key assumptions in determining the weighted average loss rate.

See note 24: Recognition of deferred tax assets- availability of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised;

See note 27: Lease term- whether the Company is reasonably certain to exercise extension options and

Assumptions and Estimation

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is included in the following notes.

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

3 Changes in accounting policies

The Company did not have any changes to its accounting policies from those applied in the financial statements as at 31 December 2025.

New and Revised Standards issued but not yet effective

At the date of authorisation of the financial statements of the Company for the year ended 31 December 2025, the following IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations were in issue but not yet effective. Except for those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations that are not applicable to the entity, all IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations will be adopted at their effective date unless otherwise indicated.

i. IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

- It promotes a more structured income statement, in particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities.
- All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as ‘other’ and will now be required to disclose more information if they continue to do so.
- Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.
- It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as ‘other’.

The directors are of the opinion that the application of the remaining IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations will not have a material impact on the financial statements as follows:

- i. Amendments to the Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)
- ii. Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)
- iii. Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Notes to the financial statements

4 Material accounting policies

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

(a) Cash and cash equivalents

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

(b) Revenue recognition and Expense

Gross Revenue

(i) Guarantee fee income

This refers to the sum of guarantee fee income, monitoring fee income and mandate fee income. Guarantee fee income is amount earned for providing guarantees to the debt instruments issued by the client companies. It is the amortised portion of the non-refundable fees calculated as a percentage of the guaranteed amount.

Monitoring fees are fixed non-refundable annual fees received from the company's customers for providing monitoring services for guarantees issued. These fees are paid in advance by the customer. On a monthly basis, the Company amortises the monitoring fees to income.

Mandate fees represents fixed non-refundable fees due upon execution of the mandate letter.

The Company recognises guarantee fees received and receivable as deferred revenue at the inception of the contract. Deferred revenue is subsequently recognised as earned revenue in profit or loss over the contractual year or expected year of the contract in proportion to the amount of the guarantee contract. As revenue is recognised, a corresponding decrease to deferred revenue is recorded.

(ii) Interest income and expense

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

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

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

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

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

Guarantee fees and interest income are recognised net of VAT.

Guarantee fee expenses

Guarantee fee expenses comprise costs incurred by the Company, along with other directly attributable expenses related to the issuance of guarantees, such as due diligence, re-guarantee fees, monitoring fees, and project development costs on guarantee transactions. These expenses are recognised in profit or loss as incurred

(c) Property and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment. When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

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

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

(iv) De-recognition

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

(d) Intangible assets

Computer Software

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

Notes to the financial statements

4 Material accounting policies - Continued

(e) Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting year. Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction.

(f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

(g) Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are translated at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transactions.

Foreign currency differences are recognised in profit or loss in the year in which they arise.

(h) Employee benefits

Short-term employee benefits

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

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

Post employment benefits

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

Other long-term employee benefits

The Company's other long-term employee benefits represents a long term bonus scheme instituted for all permanent senior and executive employees on Vice President – Managing Director levels with at least five (5) years of service and no pending disciplinary action. LTI is capped at 2.5% of profit before tax (PBT) after adjustment for unrealized net exchange gains subject to achieving agreed KPIs. The LTI is paid out equally over a 3-year period from the year LTI is earned. Accrued LTI is recognised within employee benefit obligation in liabilities and other staff costs in profit or loss. Pay-outs from the plan will be taxed according to the applicable tax laws in the Federal Republic of Nigeria. The carrying amount of the benefit based scheme is determined using a simplified approach.

(i) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is yearically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate or the prevalent Monetary Policy Rate (MPR) as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal year if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

Notes to the financial statements

4 Material accounting policies - Continued

(j) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

(k) Contingent liabilities

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

(l) Taxation

Current income tax

Income tax payable is calculated on the basis of the tax law in Nigeria and is recognised as an expense or (income) for the year except to the extent that current tax relates to items that are charged or credited directly to equity. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes.

It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

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

Deferred income tax

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

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

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(m) Financial instruments

Financial assets

(i) Initial recognition and measurement

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

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

(ii) Classification and subsequent measurement

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

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

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

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

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

Notes to the financial statements

4 Material accounting policies - Continued

Financial liabilities

Classification and subsequent measurement

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

Derecognition

(i) Financial assets

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

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

(ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

Impairment of financial assets

The Company recognises loss allowances for ECL on financial instruments that are not measured at fair value through profit or loss (FVTPL) such as:

- investment securities measured at amortised cost;
- trade receivables; or
- other financial assets.

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

Loss allowances are measured at 12-month ECLs:

- for assets which are determined to have low credit risk at the reporting date;
 - When assets have not increased significantly since initial recognition.
- On the other hand, loss allowances are measured at lifetime ECLs if the credit risk associated with the assets has increased significantly since initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

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

Financial instruments that are credit-impaired and for which a lifetime ECL is recognised are referred to as 'Stage 3 financial instruments'.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

Financial guarantees contracts

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

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

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

Determination of ECLs for financial guarantees is based on the credit risk of the beneficiaries of the guarantees.

When determining whether the credit risk of the obligor has increased significantly since initial recognition of the financial guarantee and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company historical experience and informed credit assessment of the obligor and including forward-looking information.

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

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

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

Notes to the financial statements

Material accounting policies - Continued

4 Guarantee fee receivable

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The transaction is assumed to occur in the principal market, or in its absence, the most advantageous market accessible to the Company at that date. The fair value of a liability also reflects the entity's non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk are managed by the Company on the basis of the net exposure to either market or credit risk. The net exposure is measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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

(n) Share capital

(i) Ordinary shares

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

(ii) Preference shares

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

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

5 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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

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

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

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

* In accordance with International Accounting Standards Board IFRS 9, management assessed whether the disposal of Eurobonds classified at amortised cost (representing approximately 10% of the portfolio) indicated a change in the Company's Hold-to-Collect business model. The disposals were undertaken to meet an unexpected funding requirement arising from the redemption of preference shares and were not reflective of a change in investment strategy. Management therefore concluded that the sales were consistent with the Hold-to-Collect objective and did not necessitate a reclassification of the affected assets.

Significant increase in credit risk

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

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

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

* Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

(i) Income taxes

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

Notes to the financial statements

Significant increase in credit risk-Continued

(ii) Calculation of loss allowance

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

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

6 Financial risk management

(a) Introduction

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

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

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

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

(b) Risk management objectives

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

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

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

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

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

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

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

Notes to the financial statements

6 Financial risk management - Continued

(c) Risk management framework

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

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

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

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

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

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

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

(d) Valuation of financial instruments

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

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques based on significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

(e) Significant risks

(i) Market risk

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

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

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

Interest rate risk:

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

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

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

31 December 2025		Interest bearing instruments				Non-interest bearing instruments
		Carrying amount	Less than 3 months	3 months - 6 months	6 months - 1 year	
<i>In thousands of Naira</i>	Note					
Assets						
Cash and cash equivalents	15	66,080,578	66,080,575	-	-	-
Investment securities	16	167,535,513	-	34,863,912	8,267,160	124,404,441
Guarantee fee receivable	17	12,174,783	333,389	729,997	2,239,079	8,872,318
Trade and other receivables	18	2,532,786	-	-	-	-
		248,323,660	66,413,964	35,593,909	10,506,239	133,276,759
						2,532,786

Notes to the financial statements

6 Financial risk management - Continued

Market risk - Continued

31 December 2025

<i>In thousands of Naira</i>	Note	Carrying amount	Interest bearing instruments				Non-interest bearing instruments
			Less than 3 months	3 months - 6 months	6 months - 1 year	Over 1 year	
Liabilities							
Financial guarantee liability	23	14,386,092	-	-	-	-	14,386,092
Other liabilities	25	930,498	-	-	-	-	930,498
Lease liability	27	82,461	-	-	-	-	82,461
Unsecured subordinated long term loan	30	123,721,853	1,781,744	1,858,488	3,443,324	116,638,297	-
		139,120,904	1,781,744	1,858,488	3,443,324	116,638,297	15,399,051
Total interest re-pricing gap		109,202,756	64,632,220	33,735,421	7,062,915	16,638,462	(12,866,262)

31 December 2024

<i>In thousands of naira</i>	Note	Carrying amount	Interest bearing instruments				Non-interest bearing instruments
			Less than 3 months	3 months - 6 months	6 months - 1 year	Over 1 year	
Assets							
Cash and cash equivalents	15	39,013,538	39,013,535	-	-	-	3
Investment securities	16	257,869,214	-	23,253,902	44,334,017	190,281,295	-
Guarantee fee receivable	17	8,770,252	498,240	400,884	869,865	7,001,263	-
Trade and other receivables	18	1,928,173	-	-	-	-	1,928,173
		307,581,177	39,511,775	23,654,786	45,203,882	197,282,558	1,928,176
Liabilities							
Financial guarantee liability	23	10,289,597	-	-	-	-	10,289,597
Other liabilities	25	2,485,235	-	-	-	-	2,485,235
Lease liability	27	64,803	-	-	-	-	64,803
Unsecured subordinated long term loan	30	134,414,766	1,827,283	1,868,844	5,486,477	125,232,161	-
		147,254,401	1,827,283	1,868,844	5,486,477	125,232,161	12,839,635
Total interest re-pricing gap		160,326,776	37,684,492	21,785,942	39,717,405	72,050,397	(10,911,459)

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

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Profit or loss & equity		
Increase	2,441,380	3,424,765
Decrease	(2,441,380)	(3,424,765)

(ii) *Foreign Exchange rate risk*

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

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

31 December 2025

<i>In thousands of Naira</i>	Note	Naira	US Dollar	Total
Assets				
Cash and cash equivalents	15	64,327,419	1,753,159	66,080,578
Investment securities	16	4,183,250	163,352,263	167,535,513
Guarantee fee receivable	17	12,174,783	-	12,174,783
Trade and other receivables	18	2,532,786	-	2,532,786
		83,218,238	165,105,422	248,323,660
Liabilities				
Financial guarantee liability	23	14,386,092	-	14,386,092
Unsecured subordinated long term loan	30	-	123,721,853	123,721,853
Lease liability	27	82,461	-	82,461
Other liabilities	25	930,498	-	930,498
		15,399,051	123,721,853	139,120,904
Net financial assets		67,819,187	41,383,569	109,202,756

Notes to the financial statements

6 Financial risk management - Continued

(ii) **Foreign Exchange rate risk - Continued**
31 December 2024

<i>In thousands of Naira</i>		Naira	US Dollar	Total
Assets				
Cash and cash equivalents	15	21,591,110	17,422,428	39,013,538
Investment securities	16	7,568,163	250,301,051	257,869,214
Guarantee fee receivable	17	8,770,252	-	8,770,252
Trade and other receivables	18	1,928,173	-	1,928,173
		39,857,698	267,723,479	307,581,177
Liabilities				
Financial guarantee liability	23	10,289,597	-	10,289,597
Unsecured subordinated long term loan	30	-	134,414,766	134,414,766
Lease liability	27	64,803	-	64,803
Other liabilities	25	2,122,152	363,083	2,485,235
		12,476,552	134,777,849	147,254,401
Net financial assets		27,381,146	132,945,630	160,326,776

Foreign currency sensitivity analysis

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

<i>In thousands of Naira</i>	Exchange rate	31 December 2025	Exchange rate	31 December 2024
10% increase	1,439.93	4,138,357	1,549	13,294,563
10% decrease	1,439.93	(4,138,357)	1,549	(13,294,563)

(iii) **Credit risk**

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

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

Management of credit risk

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

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

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

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

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

<i>In thousand of Naira</i>	<i>Note</i>	31 December 2025	31 December 2024
Cash and cash equivalents	15	66,080,578	39,013,538
Investment securities	16	167,535,513	257,869,214
Guarantee fee receivable	17	12,174,783	8,770,252
Trade and other receivables	18	2,532,786	1,928,173
Total exposure to credit risk		248,323,660	307,581,177

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

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

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

As noted above, the Company is exposed to credit risk in relation to financial guarantees given to customers which are companies engaged in infrastructure development. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantees are called on. As at 31 December 2025, there was nil expected credit losses (31 December 2024: nil).

Notes to the financial statements

6 Financial risk management - Continued

iv Operating segment

In accordance with IFRS 8 Operating Segments, the Company has determined that it operates as a single operating segment. The Chief Operating Decision Maker (CODM), identified as the Board of Directors, reviews the business as a single integrated operation and makes decisions based on financial information.

The Company's activities relate principally to guarantee business, and no separate financial information is produced for individual business lines or components. Accordingly, the Company has one reportable segment for financial reporting purposes.

Products and services: Revenue is derived mainly from the guarantee business, which is a single integrated business model.

Geographical information: The Company operates principally in Nigeria, and all revenue and non-current assets are generated/located in Nigeria.

Major customers: No single external customer accounted for 10% or more of revenue

Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial guarantee contracts. Below shows the nature and value of collaterals held as securities for the guarantee contracts issued as at 31 December 2025.

In thousands of Naira

Sector	31 December 2025	31 December 2024
Power	46,990,789	23,723,784
Transport	70,832,287	65,406,498
ICT Telecommunication	30,205,581	28,192,726
Healthcare	31,633,987	30,780,240
Green Housing	12,018,494	10,977,149
Gas to power	41,642,534	(123,821)
Gas to Clean Cooking	13,479,582	12,677,450
Logistics	281,055,461	281,138,560
Manufacturing	527,438,436	124,213,020
Renewable Energy	67,993,969	60,946,326
	1,123,291,120	637,931,932

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its investment securities.

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

Overview of the Company's exposure to credit risk

As at 31 December 2025, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from:

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

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

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

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

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

31 December 2025	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	15	AAA - BB+ *	Performing	12-month ECL	66,252,497	(171,919)	66,080,578
Investment securities	16	A1 - AAA*	Performing	12-month ECL	170,558,779	(3,023,266)	167,535,513
Guarantee fee receivables	17	A - BBB+ *	Performing	12-month ECL	12,174,783	-	12,174,783
Trade and other receivables	18	A - BBB+ *	Performing	Lifetime ECL	3,990,136	(1,457,350)	2,532,786
Total exposure to credit risk					252,976,195	(4,652,535)	248,323,660

Notes to the financial statements

6 Financial risk management - Continued

Overview of the Company's exposure to credit risk-Continued

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

*Assigned by Fitch, Agusto and GCR

Incorporation of forward-looking information

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

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

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

	2025	2026
Crude oil price (USD)	63.42	74.50
Prime Lending rate (%)	18.02%	26.75%

Source: Fitch Solutions

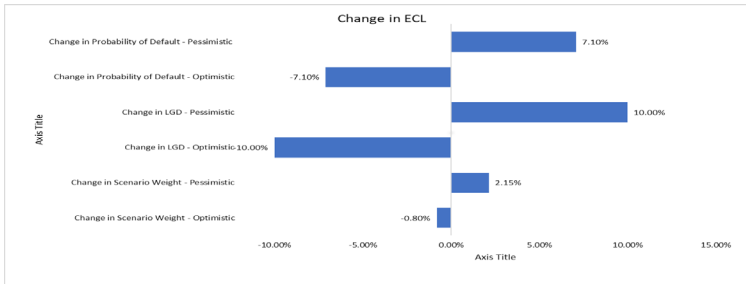
Below is the disclosure of scenario probability weightings applied in measuring ECL for both 2025 and 2024

Scenarios	Probability of Default	
	2025	2024
Best Case	38.46%	33.33%
Base Case	29.49%	27.50%
Worst Case	32.05%	29.17%

Sensitivity Analysis

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

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



Sensitivity analysis on ECL parameters

The above results show that the ECL estimation is sensitive to changes in the LGD and PD. As a result, we shall continue to review and back test the adequacy of this assumption as used in the ECL.

Measurement of expected credit losses (ECLs)

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

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

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

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

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

Notes to the financial statements

6 Financial risk management - Continued

Concentration of credit risk

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

Concentration by Sector

<i>In thousands of Naira</i>	Rating	Location	Cash Equivalents		Investment Securities	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
<i>Financial Institutions</i>						
Stanbic IBTC Bank PLC	AAA***	Nigeria	12,223,221	16,602,034	23,707,519	23,251,182.00
Access Bank Plc	AA*	Nigeria	53,579,465	22,194,348	-	3,321,416
United Bank for Africa Plc	AA- *	Nigeria	622	663	-	-
Ecobank Nigeria Limited	BB**	Nigeria	1,308	1,368	-	-
Guaranty Trust Bank	B-***	Nigeria	211,004	145,244	-	-
Standard Chartered Bank	A+ ***	Nigeria	64,960	69,881	-	-
			66,080,580	39,013,538	23,707,519	26,572,598
<i>Sovereign/ Government</i>						
Federal Government of Nigeria	B- ***	Nigeria	-	-	143,827,995	231,296,616
Total			66,080,580	39,013,538	167,535,514	257,869,214

Concentration by product

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Bank balances	2,455,877	7,155,553
Placement with banks	63,624,698	31,857,982
Eurobonds	163,355,929	250,305,346
Treasury bills	-	3,321,416
FGN bonds	4,179,585	4,242,452
Total	233,616,089	296,882,749

Concentration by region

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Nigeria	233,616,089	296,882,749
Total	233,616,089	296,882,749

Guarantee fee receivables at amortised cost

<i>In thousands of Naira</i>	Concentration by sector		31 December 2025	31 December 2024
	Internal Rating	External Rating		
Power	BBB - BBB-	BBB **	2,139,714	928,124
Transport	BB+ - BBB+		2,316,533	769,676
ICT Telecommunication	BBB- - BBB	BBB**	437,758	618,383
Healthcare	BBB+	BBB**	387,754	621,427
Green Housing	BBB		73,267	156,266
Gas to power	BBB	BBB**	2,550,862	531,027
Gas to Clean Cooking	BBB		166,431	341,351
Logistics	BBB - A-	BBB*	3,133,180	3,628,100
Manufacturing	A-	A-*	435,917	697,987
Renewable Energy	BBB- - A-	AA**	533,367	477,909
			12,174,783	8,770,252

* Assigned by Agosto

** Assigned by GCR

*** Assigned by Fitch

The external rating is not applicable to some clients/institutions in the listed sectors

Concentration by region

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Nigeria	12,174,783	8,770,252
Total	12,174,783	8,770,252

Financial guarantee contracts (off balance sheet)

As at 31 December 2025, the Company had issued the Guarantees below

In thousands of Naira

Sector	Guaranteed amount	Outstanding balance December 2025	Outstanding balance December 2024	*Amount due within 12 Months	*Amount due over 12 months
Off-Grid Power	58,663,151	55,779,552	44,725,119	19,664,376	36,115,176
Renewable Energy	19,489,079	16,650,564	11,292,732	4,887,489	11,763,074
Transportation	82,000,000	74,205,410	32,456,306	17,826,694	56,378,716
Logistics	56,768,750	56,641,875	54,268,750	696,708	55,945,167
ICT/Telecoms	10,955,000	9,702,573	10,585,075	1,670,811	8,031,762
Gas-to-Power	37,358,104	34,829,677	19,419,042	2,939,173	31,890,504
Gas-to-Clean Cooking	21,500,000	21,450,000	13,500,000	1,925,397	19,524,603
Manufacturing	20,000,000	16,833,333	19,166,667	3,666,667	13,166,667
Healthcare	10,000,000	9,166,667	10,000,000	1,666,667	7,500,000
Green Housing	5,500,000	3,750,000	5,125,000	1,375,000	2,375,000
	322,234,085	299,009,652	220,538,691	56,318,983	242,690,669

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

In December 2025, InfraCredit issued a Contingent Refinancing Guarantee ("CRG") for N170 billion to a company in the Power sector. Thus the Company recorded N266.3 billion in total guarantees as at the end of 2025, comprising N96.3 billion in direct guarantees and N170 billion in CRG.

Notes to the financial statements

6 Financial risk management - Continued

Loss allowance by financial instrument

<i>In thousands of Naira</i>	Note	31 December 2025	31 December 2024
Cash and cash equivalent	15	171,919	41,361
Investment securities at amortised cost	16	3,023,266	2,443,386
Trade and other receivables	18	1,457,350	692,649
		4,652,535	3,177,396

Analysis of movement in loss allowance

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

<i>In thousands of Naira</i>	Trade and other receivables 12-month ECL	Guarantee fee receivable 12-month ECL	Cash Equivalents 12-month ECL	Investment Securities 12-month ECL	Total
As at 1 January 2024	228,812	-	15,740	1,367,931	1,612,483
New financial assets originated or purchased	692,649	-	41,361	2,443,386	3,177,396
Financial assets that have been derecognised	(228,812)	-	(15,740)	(1,367,931)	(1,612,483)
Impairment loss for the year (see note 10)	463,837	-	25,621	1,075,455	1,564,913
As at 31 December 2024	692,649	-	41,361	2,443,386	3,177,396
New financial assets originated or purchased	1,457,350	-	171,919	3,023,265	4,652,534
Financial assets that have been derecognised	(692,649)	-	(41,361)	(2,443,386)	(3,177,396)
Impairment loss for the year (see note 10)	764,701	-	130,558	579,879	1,475,138
As at 31 December 2025	1,457,350	-	171,919	3,023,265	4,652,534

(i) For financial guarantee contract, the gross carrying amount represents the maximum amount the Company has guaranteed under the contract. No impairment allowance was recognised in the profit or loss (2024: Nil).

(ii) For trade receivables, the Company has estimated impairment based loss rates, days past due and applying experienced credit judgement. The estimation resulted in an impairment loss of N764.7 million (2024: N463 million) which has been recognised in profit or loss.

(iii) The loss allowance of N579.9 billion (2024: N1.075 billion) on investment securities measured at amortised cost is determined based on the credit ratings of the institutions in which the securities are held and is recognised in profit or loss.

(iv) The loss allowance of N130.6 million (2024: N25.6 million) on cash and cash equivalents is determined based on the credit ratings of the institutions in which the cash are held and is recognised in profit or loss.

(v) Liquidity risk

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

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

Management of liquidity risk

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

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

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

Residual contractual maturities of financial assets

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

31 December 2025

<i>In thousands of naira</i>	Note	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash equivalents	15	66,080,578	66,252,497	66,252,497	-	-	-
Investment securities	16	167,535,513	170,558,779	-	23,932,510	48,542,161	98,084,109
Guarantee fee receivable	17	12,174,783	12,174,783	333,389	729,997	2,239,079	8,872,318
Trade and other receivables	18	2,532,786	3,990,136	3,990,136	-	-	-
		248,323,660	252,976,195	70,576,022	24,662,507	50,781,239	106,956,427
Financial guarantee liability	23	14,386,092	14,386,092	1,087,234	1,035,661	1,904,465	10,358,731
Other liabilities	25	930,498	930,498	930,498	-	-	-
Lease liability	26	82,461	82,461	-	-	-	82,461
Unsecured subordinated long term loan	30	123,721,853	123,721,853	1,781,744	1,858,488	3,443,324	128,663,211
		139,120,904	139,120,904	3,799,476	2,894,149	5,347,789	139,104,403
Gap (assets-liabilities)		109,202,756	113,855,291	66,776,546	21,768,357	45,433,450	(32,147,976)
Cumulative liquidity gap				66,776,546	88,544,903	133,978,353	101,830,377

Notes to the financial statements

6 Financial risk management - Continued

Residual contractual maturities of financial assets -Continued
31 December 2024

<i>In thousands of naira</i>	Note	Carrying amount	Gross nominal	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash and cash equivalents	15	39,013,538	39,054,899	39,054,899	-	-	-
Investment securities	16	257,869,214	279,460,151	5,212,045	23,932,510	48,542,161	201,773,436
Guarantee fee receivable	17	8,770,252	8,770,252	498,240	400,884	869,865	7,001,263
Trade and other receivables	18	1,928,173	2,620,822	2,620,822	-	-	-
		307,581,177	329,906,124	47,386,006	24,333,394	49,412,025	208,774,699
Financial guarantee liability	23	10,289,597	10,289,597	674,174	769,739	1,511,048	7,334,635
Other liabilities	25	2,485,235	2,485,235	2,485,235	-	-	-
Lease liability	26	64,803	64,803	-	-	33,333	31,470
Unsecured subordinated long term loan	30	134,414,766	158,300,078	987,051	-	8,092,332	149,220,695
		147,254,401	171,139,713	4,146,460	769,739	9,636,713	156,586,800
Gap (assets-liabilities)		160,326,776	158,766,412	43,239,546	23,563,655	39,775,312	52,187,899
Cumulative liquidity gap				43,239,546	66,803,201	106,578,513	158,766,412

Vi Operational risk

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

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

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

ORM framework provides the foundations and a common infrastructure for delivering, maintaining and governing operational risk management. The objective of ORM policy at InfraCredit is to establish and maintain a sound ORM program to where possible prevent, and where not possible, mitigate, identify, measure, assess, monitor, overcome and report on operational risk by:

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

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

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

(f) Category of financial instruments and fair values

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

31 December 2025

<i>In thousands of Naira</i>	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)
Cash and cash equivalents	15	66,080,578	66,080,578	-
Investment securities	16	167,535,513	167,535,513	-
Guarantee fee receivable	17	12,174,783	12,174,783	-
Trade and other receivables	18	2,532,786	2,532,786	-
Total financial assets		248,323,660	248,323,660	-
Unsecured subordinated long term loan	30	123,721,853	-	123,721,853
Financial guarantee liability	23	14,386,092	-	14,386,092
Lease liability	26	82,461	-	82,461
Other liabilities	25	930,498	-	930,498
Total financial liabilities		139,120,904	-	139,120,904

31 December 2024

<i>In thousands of Naira</i>	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)
Cash and cash equivalents	15	39,013,538	39,013,538	-
Investment securities	16	257,869,214	257,869,214	-
Guarantee fee receivable	17	8,770,252	8,770,252	-
Trade and other receivables	18	1,928,173	1,928,173	-
Total financial assets		307,581,177	307,581,177	-
Unsecured subordinated long term loan	30	134,414,766	-	134,414,766
Financial guarantee liability	23	10,289,597	-	10,289,597
Lease liability	26	64,803	-	64,803
Other liabilities	25	2,485,235	-	2,485,235
Total financial liabilities		147,254,401	-	147,254,401

Notes to the financial statements

7 Guarantee fee income

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Mandate fees (a)	248,400	115,500
Guarantee fees (b)	5,576,145	4,119,544
Monitoring fees (c)	1,268,391	972,867
	7,092,936	5,207,911

- (a) Amount represents the fees earned from clients for the preliminary analysis and due diligence done by the Company for providing guarantees for the issued and proposed infrastructure bonds.
(b) Amount represent the amortised portion of the non-refundable fee calculated as a percentage of the guaranteed amount earned from customers. See Note 32 for breakdown of all guarantees issued.
(c) Amount represents the amortised portion of fixed non-refundable annual fees for providing monitoring services for guarantees issued.

8 Guarantee fee expenses

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Guarantee fee expense (a)	-	155,147
Re-guarantee fee expenses (b)	604,582	641,145
Upfront fee expense (a)	-	26,775
Monitoring fee expense (a)	-	36,226
Due diligence/project development expenses (c)	852,080	646,266
	1,456,662	1,505,559

- (a) Amounts represent the fee expenses (upfront, guarantee, and monitoring fees) incurred by the Company.
(b) Re-guarantee fees represents fees paid to African Trade and Investment Development Insurance (ATIDI) for Pan African Towers (PAT) and a separate arrangement with seven other obligors; as well as payment to GuarantCo in respect of Lagos Free Zone Company (LFZC) risk-sharing arrangement.
(c) Amount represents directly attributable costs incurred with respect to due diligence/project development activities and consultancy fees on guarantee transactions.

9 Net investment income

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
(a) Interest income		
Bank placements	9,677,992	2,092,958
Eurobonds	18,693,781	18,619,431
FGN Bonds	512,933	535,754
Treasury bills	683,832	457,523
	29,568,538	21,705,666

The total interest income calculated using the effective interest rate (EIR) method for financial assets at amortised cost is N29.6 billion (2024: N21.7 billion)

(b) Interest expense	31 December 2025	31 December 2024
Interest expense long-term unsecured subordinated loans	8,245,180	6,364,272
Interest expenses on leased liabilities (see note 27)	17,659	16,200
Investment management fee expenses	273,496	293,863
	8,536,335	6,674,335
Net interest income (a)-(b)	21,032,203	15,031,331

Investment management fee expenses represent fees incurred and paid to investment custodians for the management, administration, and oversight of the Company's investment portfolios.

(c) Gain on disposal of financial assets	31 December 2025	31 December 2024
Proceed from disposal	(24,624,363)	-
Carrying amount	22,394,570	-
Gain on disposal of financial assets	2,229,793	-

The above represents gain from the disposal of FGN eurobonds during the year.

10 Impairment losses on financial instruments

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Investment securities (see note 16(b))	579,879	1,075,455
Other receivables (see note 18(c))	764,700	463,837
Cash equivalents (see note 15(b))	130,558	25,621
	1,475,137	1,564,913

11(a) Other Income

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Gain on sale of property, plant and equipment	-	21,441

Notes to the financial statements

11(b) Foreign exchange (loss) / gains

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Exchange (loss) / gains	(9,017,315)	50,731,484

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

12 Personnel expenses

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

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Wages and salaries	1,699,428	1,084,400
Short term incentive scheme (see note (26))	898,191	378,947
Other staff costs (i)	1,212,954	1,656,737
Long term incentive scheme (see note (26))	715,557	280,150
Pension cost	242,761	184,391
	4,768,891	3,584,625

(i) Other staff cost relates to staff medical cost, executive allowance, discretionary bonus, mortgage subsidy allowance, PAYE, NHF, NSITF, and other staff benefits. Other staff benefits include professional and club subscriptions, vacation allowances, car maintenance and fueling etc.

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

	31 December 2025	31 December 2024
Managerial	23	20
Other staff	18	16
	41	36

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

	31 December 2025	31 December 2024
N5 million - N10 million	-	6
N10 million - N25 million	16	22
N25 million and above	25	8
	41	36

(d) Directors' remuneration

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

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Non-executive Directors		
Fees	513,838	554,458
Total	513,838	554,458

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Chairman	53,270	54,180
Highest paid director	150,000	141,510

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

	31 December 2025	31 December 2024
N10 million and above	9	9

13 Other operating expenses

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Directors remuneration (Non-executive)	513,838	554,458
Marketing and advertising	159,193	87,304
Stationery and printing	13,103	8,904
Travelling and entertainment	320,144	372,321
Office expenses	15,817	-
Auditors remuneration	59,716	38,269
Information technology expenses	331,456	261,940
Training expenses	435,578	421,120
Administration and membership fees	9,208	71,264
Professional fees (see note (a) below)	597,531	356,900
Maintenance expenses	39,759	31,293
Insurance expenses	80,638	54,160
Utility and electricity	59,074	46,313
Other expenses (see note (b) below)	794,581	327,343
	3,429,636	2,631,589

Notes to the financial statements

(a) Professional fees

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Legal and secretarial fees	76,457	99,876
Other professional fees (see the note below)	368,754	152,891
HR consultancy	49,406	2,359
Credit rating expenses	102,914	101,774
	597,531	356,900

Included in other professional fees are tax advisory fees, internal audit fee, people strategy expenses and ESG routine development impact field survey costs.

(b) Other expenses

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Bank charges	83,057	15,151
Board meeting expenses	233,450	54,332
Recruitment costs	5,798	10,254
ITF Levy	28,089	23,933
Development Impact Expenses	-	27,101
Corporate membership	20,542	-
Outsourced/contract staff	16,409	-
Courier/freight	1,754	-
Miscellaneous expenses (i)	405,482	196,572
	794,581	327,343

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

14 Taxation

(a) Tax Credit

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
i Current tax		
Company income tax	1,621,824	161,955
Education Tax	166,616	20,573
Information technology tax	99,667	615,585
Police Trust Fund levy	498	3,078
Current Income tax expense (see note 14(c))	1,888,605	801,191
ii Deferred tax		
Deferred tax expense (see note 24 (a))	(309,321)	(103,140)
Income tax expenses	1,579,284	698,051
Total income tax expenses	1,579,284	698,051

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

(b) Reconciliation of effective income tax rate

<i>In thousands of Naira</i>	31 December 2025		31 December 2024	
	Amount	Rate	Amount	Rate
Profit before tax	9,966,746		61,558,548	
Income tax @ 30% tax rate	2,990,024	30%	18,467,564	30%
Non-deductible expenses	1,817,333	18%	2,293,830	4%
Education tax	166,616	2%	20,573	0%
Tax exempt income	(3,538,703)	-36%	(20,555,588)	-33%
Information technology tax (see note 14(a))	99,667	1%	615,585	1%
Nigeria Police Trust Fund Levy (see note 14(a))	498	0%	3,078	0%
Company income tax	-	0%	161,955	0%
(Recognition)/derecognition of (additional)/previously recognised deductible temporary difference	43,850	0%	(308,946)	-1%
	1,579,284	16%	698,051	1%

(c) Current tax liability

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening balance	890,381	599,649
<i>Charge for the period see note 14(a):</i>		
Current tax	1,888,605	801,191
Payment	(790,843)	(510,459)
Closing balance	1,988,143	890,381

Notes to the financial statements

(d) Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	31 December 2025	31 December 2024
Profit attributable to equity holders*	6,827,832	59,212,648
Weighted average number of ordinary shares for basic earnings per share	23,629,815	10,735,236
Basic earnings per ordinary share (kobo)	0.29	5.52

*The profit attributable to equity holders represents profit for the year after excluding dividends attributable to preference shareholders.

	31 December 2025	31 December 2024
(di) Weighted average number of ordinary shares - basic		
Issued ordinary shares at 1 January	3,813,770	6,215,391
Net effect of shares issued during the year	19,816,045	4,519,845
At at 31 December	23,629,815	10,735,236

(dii) Earnings per share- Diluted

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The Company had no potential diluted ordinary shares during the year (2024: Nil); accordingly, the weighted average number of ordinary shares used in calculating basic and diluted earnings per share is the same, therefore basic and diluted earnings per share are the same.

15 Cash and cash equivalents

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Cash in hand	3	3
<i>Cash Equivalents:</i>		
Balances with banks	2,455,877	7,155,553
Bank placement (see note (a) below)	63,796,617	31,899,343
Cash and cash equivalents (gross)	66,252,497	39,054,899
Impairment loss allowance on cash equivalents (see note (b) below)	(171,919)	(41,361)
Cash and cash equivalents (net)	66,080,578	39,013,538
Cash and cash equivalents in the statement of financial position	66,080,578	39,013,538
Impairment loss allowance on cash equivalents (see note (b) below)	171,919	41,361
Cash and cash equivalents in the statement of cash flows	66,252,497	39,054,899
Current	66,080,578	39,013,538

(a) Bank placements consist of both Naira and USD denominated assets with the banks. The bank placements have an average interest rate of 19.42% (2024: 19.94%) and have an original acquisition date of less than 3 months tenor.

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

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening balance	41,361	15,740
Recognised in income statement (See note 10)	130,558	25,621
Closing balance	171,919	41,361

16 Investment securities

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
FGN Eurobonds at amortised cost (i)	142,663,699	229,490,535
Corporate Eurobonds at amortised cost (ii)	23,711,830	23,253,902
FGN Bonds (iii)	4,183,250	4,244,932
Treasury bills	-	3,323,231
	170,558,779	260,312,600
Impairment loss allowance on investment securities (see note (a) below)	(3,023,266)	(2,443,386)
Investment securities	167,535,513	257,869,214
Current	43,131,072	25,505,471
Non-Current	124,404,441	232,363,743
Total	167,535,513	257,869,214

(i) FGN Eurobonds have stated yields of 5.43% to 10.65% with maturity in five months to seven years (31 December 2024: six months to seven years).

(ii) Corporate Eurobonds have stated yields of 3.95% to 6.25% with maturity varying from 3 months to 3 years and 8 months (31 December 2024: six months to seven years).

(iii) FGN Bonds have stated yields ranging between 5% to 14.55% and mature in one month to four years (31 December 2024: a year to five years).

Notes to the financial statements

The movement in carrying amount of investment securities is as follows:

(a) In thousands of Naira	31 December 2025	31 December 2024
Opening balance	260,312,600	158,649,585
Additions during the year	9,299,633	100,587,560
Accrued interest income (See note 9a)	29,568,538	21,705,666
Payment received	(128,621,992)	(20,630,211)
Closing balance	170,558,779	260,312,600

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

(b) In thousands of Naira	31 December 2025	31 December 2024
Opening balance	2,443,386	1,367,931
Recognised in income statement (See note 10)	581,985	1,075,455
Closing balance	3,023,266	2,443,386

17 Guarantee fee receivable

In thousands of Naira	31 December 2025	31 December 2024
Opening Balance	8,770,252	8,674,785
Present value of guarantee fee received	(4,711,589)	(2,576,290)
Additions	8,116,120	2,671,757
Gross guarantee fee receivable	12,174,783	8,770,252
Impairment loss allowance	-	-
Guarantee fee receivable (see (a) below)	12,174,783	8,770,252
Current	3,302,465	1,768,989
Non-current	8,872,318	7,001,263
Total	12,174,783	8,770,252

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

18 Trade and other receivables

In thousands of Naira	31 December 2025	31 December 2024
Other financial assets		
Trade receivable (a)	2,419,526	2,527,242
Other receivables (see note (b) below)	1,570,610	93,580
	3,990,136	2,620,822
Impairment loss allowance (see note (c) below)	(1,457,350)	(692,649)
	2,532,786	1,928,173
Cash advance	16,309	8,124
	16,309	8,124
Trade and other receivables	2,549,095	1,936,297
Current	2,549,095	1,936,297
Non-Current	-	-
Total	2,549,095	1,936,297

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

(b) Other receivables relates to Withholding Tax receivable and receivables from monitoring fee from BOI and other various clients.

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

In thousands of Naira	31 December 2025	31 December 2024
Opening balance	692,649	228,812
Recognised in income statement (See note 10)	764,700	463,837
Closing balance	1,457,349	692,649

19 Prepayments

In thousands of Naira	31 December 2025	31 December 2024
Prepayments	151,998	346,076
Current	151,998	346,076
Non-Current	-	-
Total	151,998	346,076

Prepayments relates to telephone support, group life insurance, IT Costs, training subscriptions paid during the year.

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20 Property and equipment

<i>In thousands of Naira</i>	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress (WIP)	Leasehold improvement	Total
Cost							
<i>Balance as at 1 January 2024</i>	99,694	122,054	69,088	247,980	2,998	141,561	683,375
Additions	51,903	68,904	1,558	92,988	32,550	795	248,698
Disposals	(303)	(102)	(116)	-	-	-	(521)
Write off	-	-	-	-	(798)	-	(798)
Transfer from WIP	1,390	-	810	-	(2,200)	-	-
Balance as at 31 December 2024	152,684	190,856	71,340	340,968	32,550	142,356	930,754
<i>Balance as at 1 January 2025</i>	152,684	190,856	71,340	340,968	32,550	142,356	930,754
Additions	138,560	70,881	2,256	138,631	-	34,102	384,430
Transfer to / from WIP	-	-	-	-	(32,550)	-	(32,550)
Balance as at 31 December 2025	291,244	261,737	73,596	479,599	-	176,458	1,282,634
Accumulated depreciation							
<i>Balance as at 1 January 2024</i>	64,021	95,410	63,791	130,264	-	48,778	402,264
Depreciation for the year	20,323	15,972	3,591	51,347	-	14,312	105,545
Disposal	(303)	(102)	(116)	-	-	-	(521)
Balance as at 31 December 2024	84,041	111,280	67,266	181,611	-	63,090	507,288
<i>Balance as at 1 January 2025</i>	84,041	111,280	67,266	181,611	-	63,090	507,288
Depreciation for the year	43,382	34,077	2,184	82,921	-	16,693	179,257
Balance as at 31 December 2025	127,423	145,357	69,450	264,532	-	79,783	686,545
Carrying amounts							
Balance as at 31 December 2024	68,643	79,576	4,074	159,357	32,550	79,266	423,466
Balance as at 31 December 2025	163,821	116,380	4,146	215,067	-	96,675	596,089

- (i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2024:Nil).
- (ii) There were no impairment losses on any class of property and equipment during the year (31 December 2024:Nil).
- (iii) There are no restriction on the Company's title to its property and equipment in the year (31 December 2024:Nil).
- (iv) All property and equipment are non-current.

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21 Right-of-use asset

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Cost		
Opening balance	291,670	218,966
Addition to right-of-use asset	-	291,670
Derecognition of to right-of-use asset	-	(218,966)
Closing balance	291,670	291,670
Accumulated Depreciation		
Opening balance	14,584	89,413
Charge for the year	58,334	31,006
Derecognition of accumulated depreciation on right-of-use asset	-	(105,835)
Closing balance	72,918	14,584
Carrying amount	218,752	277,086
Amounts recognised in profit or loss		
Interest on lease liabilities (See note 9b)	17,659	16,200
Depreciation charge of right-of-use assets	58,334	31,006

22 Intangible assets

<i>In thousands of Naira</i>	Computer software N'000	Work in progress N'000	Total N'000
Cost			
Opening balance as at 1 January 2025	74,875	119,008	193,883
Additions	-	151,564	151,564
Closing balance as at 31 December 2025	74,875	270,572	345,447
Accumulated Amortisation			
Opening balance as at 1 January 2025	69,419	-	69,419
Charge for the year	2,954	-	2,954
Closing balance as at 31 December 2025	72,373	-	72,373
Carrying amount as at December 2025	2,501	270,572	273,074

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

The Company's intangible assets are not impaired.

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

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<i>In thousands of Naira</i>	Computer software N'000	Work in progress N'000	Total N'000
Cost			
Opening balance as at 1 January 2024	74,875	113,006	187,880
Additions	-	6,003	6,003
Closing balance as at 31 December 2024	74,875	119,008	193,883
Accumulated Amortisation			
Opening balance as at 1 January 2024	59,037	-	59,037
Charge for the year	10,382	-	10,382
Closing balance as at 31 December 2024	69,419	-	69,419
Carrying amount as at 31 December 2024	5,455	119,008	124,464

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

The Company's intangible assets are not impaired.

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

23 Financial guarantee liability

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening balance	10,289,597	10,365,600
Amortised guarantee liability during the year	(5,576,145)	(4,119,544)
Additions during the year	9,672,640	4,043,541
Financial guarantee liability	14,386,092	10,289,597
Current	4,027,361	2,911,422
Non-current	10,358,731	7,378,175
	14,386,092	10,289,597

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

Notes to the Financial Statements

24 Deferred tax asset

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Property and equipment	(215,669)	(162,021)
Tax losses	-	-
Allowance for expected credit losses	1,008,592	645,623
	792,923	483,602

Deferred taxes are calculated on all temporary differences under the liability method using a statutory tax rate of 33% (2024: 33%).

(a) Movements in temporary differences during the period:

<i>In thousands of Naira</i>	1 January 2025	Recognised in profit or loss	31 December 2025
Property and equipment	(162,021)	(53,648)	(215,669)
Tax losses	-	-	-
Allowance for expected credit losses & other deferred tax items	645,623	362,969	1,008,592
	483,602	309,321	792,923

(b) Movements in temporary differences 1 January 2024 to 31 December 2024:

<i>In thousands of Naira</i>	1 January 2024	Recognised in profit or loss	31 December 2024
Property and equipment	(83,024)	(78,997)	(162,021)
Tax losses	-	-	-
Allowance for expected credit losses & other deferred tax items	463,486	182,137	645,623
	380,462	103,140	483,602

25 Other liabilities

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Financial liabilities		
Accruals (see note (i) below)	930,498	732,710
Dividend payable (see note (iii) below)	-	1,752,525
	930,498	2,485,235
Non financial liabilities		
Statutory deductions payable (see note (ii) below)	666,765	825,352
Output VAT	265,097	154,413
Deferred revenue	661,889	496,263
	1,593,751	1,476,028
Total - Other Liabilities	2,524,249	3,961,263
Current	2,524,249	3,961,263
Non current	-	-
	2,524,249	3,961,263

- (i) This represents the payables in respect of services rendered to the Company by different professional services firms, clients and vendors.
(ii) This represents statutory deductions payable to the Governments such as PAYE, pension, NSITF, NHF, WHT and capital gains.
(iii) This represents ordinary dividend (net of WHT) declared during the period to all ordinary shares ranking for dividends.

26 Employee benefit obligation

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Employee liabilities (see note (i) below)	204,251	180,869
Long term incentive scheme (see note (ii) below)	902,575	758,122
Short term incentive scheme (see note (iii) below)	676,468	478,946
	1,783,294	1,417,937

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

(ii) Long Term Incentive Scheme

Effective from 1 January 2024, Long-term incentive (LTI) scheme represents a long-term bonus scheme instituted for all currently employed permanent employees on the level of Vice President (VP) – Chief Executive Officer (CEO) level with at least five (5) period of service and no pending disciplinary action. LTI is computed as 2.5% of profit before tax for the period after deducting net unrealized exchange gains, if all required targets are met. The LTI is paid out equally over a 3-year period from the year LTI is earned. Accrued LTI is recognised within employee benefit obligation in liabilities and other staff costs in profit or loss. Pay-outs from the plan will be taxed according to the applicable tax laws in the Federal Republic of Nigeria. The carrying amount of the benefit based scheme is determined using a simplified approach.

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening Balance	758,122	513,533
Provision during the period	715,557	280,150
Payment during the period	(571,104)	(35,561)
Closing balance	902,575	758,122

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26 Employee benefit obligation - Continued

(iii) Short Term Incentive Scheme

Effective from 1 January 2024, STI computation varies from 3.5% - 7.5% of profit before tax after adjustment for net unrealized exchange differences depending on meeting the key performance indicators (KPIs) agreed with the Board. Payment of STI is at the full discretion of the Board.

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening Balance	478,946	421,323
Provision during the year	898,191	378,947
Payment during the year	(700,669)	(321,324)
Short term incentive scheme	676,468	478,946

27 Lease liabilities

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening	64,803	122,196
Addition to lease liabilities	-	157,407
Payment	-	(231,000)
Interest expense on lease liabilities	17,659	16,200
	82,461	64,803

The above lease is a 5 year lease effective November 2019 to September 2024, Management subsequently entered into a new lease for a 5 year year from October 2024 to September 2029 for which it has prepaid for three (3) years.

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Non-current	82,461	64,803
Current	-	-
	82,461	64,803

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

28 Share capital

(a) Ordinary shares

Issued and fully paid

26,421,392,875 ordinary shares of N1 each (2024:15,255,079,725 ordinary shares of N1 each)

Movement in the year

Opening balance	15,255,080	6,215,391
Issue of ordinary shares (see 28(d))	11,166,313	9,039,689
	26,421,393	15,255,080

(b) Preference shares (irredeemable)

Authorised, issued and fully paid irredeemable preference shares (8,022,905,000 units at N1 each)

Preference Shares (irredeemable)	8,022,905	8,022,905
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Irredeemable preference shares have no repayment date and there is no obligation on the part of the Company to repay the capital. Dividend payment on irredeemable preference shares are discretionary, subject to the Board's recommendation and shareholder approval.

(c) Preference shares (redeemable)

Authorised, issued and fully paid redeemable preference shares at N1 each

Opening balance	23,385,829	23,385,829
Transfer to capital redemption reserve	(19,759,922)	-
Closing balance	3,625,907	23,385,829
Total redeemable and irredeemable preference shares	11,648,812	31,408,731

The Company redeemed its preference shares held by AFC and InfraCo on 25 November 2025 and 11 December 2025, respectively.

(d) 31 December 2025

	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589
Access ARM Pensions*	5,370,000,000	-	5,370,000,000
Africa Finance Corporation (AFC)	4,360,193,641	-	4,360,193,641
CardinalStone*	3,503,159,670	-	3,503,159,670
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557
AHCO Insurance Plc	1,881,206,139	-	1,881,206,139
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	-	1,214,703,876
FCMB Pensions*	683,500,000	-	683,500,000
NUPEMCO Fund III*	596,409,137	-	596,409,137
VG Pensions RSA Fund*	530,035,331	-	530,035,331
Crusader Sterling Pensions*	411,522,633	-	411,522,633
First PCNNLPC PFA Limited*	70,671,378	-	70,671,378
FUNDSCO Capital Managers Limited*	1,000,000	-	1,000,000
Other shareholders*	15,001	-	15,001
	26,421,392,875	11,648,812,077	38,070,204,952
Capital redemption reserve			
Nominal value of the preference shares	-	19,759,919,854	19,759,919,854
Shares held in trust:			
United Capital Trustees Limited (UCTL)**	-	3,591,268,069	3,591,268,069
	26,421,392,875	35,000,000,000	61,421,392,875

* represent the new shareholders during the year.

** represents authorised but unissued preference shares held in trust with United Capital Trustees Limited (UCTL).

31 December 2024

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

* represents authorised but unissued preference shares held in trust with United Capital Trustees Limited (UCTL)

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On 29 August 2024, the shareholders approved the issuance of 11,166,313,150 ordinary shares of N1 each via private placement at a price of N2.43 per share. These shares were duly allotted upon completion of the private placement exercise on 2 April 2025.

(e) Share premium

26,032,901 **10,668,787**

In 2025, 11,166,313,150 (2024: 9,039,688,882) units of ordinary shares of N1 each were allotted to existing share holders at a premium of N1.43 (2024: N1.07) per share, giving rise to a share premium of N15,967,825,000 (2024: N9,627,467,104). The gross proceed from the issue of shares amounted to N27,134,139,804.5. (2024: N18,712,155,986.12) See breakdown below.

31 December 2025

<i>In thousands of Naira</i>	Ordinary shares	Share Premium	Total
3,503,159,670 ordinary shares at a premium of N1.43k each to Cardinal Stone Partners	3,503,160	5,009,518	8,512,678
5,370,000,000 ordinary shares at a premium of N1.43k each to Access ARM Pension	5,370,000	7,679,100	13,049,100
411,522,633 ordinary shares at a premium of N1.43k each to Crusader Sterling Pension	411,522	588,476	999,998
683,500,000 ordinary shares at a premium of N1.43k each to FCMB Pensions	683,500	977,405	1,660,905
596,409,137 ordinary shares at a premium of N1.43k each to NUPEMCO	596,409	852,865	1,449,274
530,035,331 ordinary shares at a premium of N1.43k each to VG Pensions	530,035	757,950	1,287,985
70,671,378 ordinary shares at a premium of N1.43k each to NLPC PFA	70,671	101,060	171,731
1,000,000 ordinary shares at a premium of N1.43k each to FUNDSCO Capital	1,000	1,430	2,430
15,000 ordinary shares at a premium of N1.43k each to Other shareholders	15	21	36
Gross proceeds	11,166,313	15,967,825	27,134,138

31 December 2024

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

Movement in the year

	31 December 2025	31 December 2024
Opening balance	10,668,787	1,016,924
Addition	15,967,825	9,672,467
Expenses on share issued (see note (i) below)	(603,711)	(20,604)
Closing balance	26,032,901	10,668,787

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

(f) Pre-paid Capital Reserves

	31 December 2025	31 December 2024
Opening balance	-	-
Additions	842,757	-
Closing balance	842,757	-

The shareholders were offered the option to receive their dividend in either scrip or cash. All shareholders, with the exception of InfraCo and AFC, elected to receive a scrip dividend. Specifically, NSIA, AIICO, and Leadway opted for the scrip alternative. However, due to the unavailability of authorised ordinary shares to effect the scrip issuance, the scrip dividend has been recognised as a prepaid capital reserve pending the creation of additional ordinary shares to satisfy the entitlements of the shareholders who selected the scrip option.

(g) Capital redemption reserve

	31 December 2025	31 December 2024
Opening balance	-	-
Transfer from redeemable preference shares	19,759,922	-
Closing balance	19,759,922	-

This amount represents the nominal value of the preference shares held by AFC and InfraCo that were redeemed and transferred to the Capital Redemption Reserve Fund in accordance with Section 182 of CAMA 2020. The transfer, which ensures compliance with statutory capital maintenance requirements under CAMA 2020, is non-distributable and may only be applied in paying up fully paid bonus shares issued to shareholders.

However, the Company does not intend to retain the preference shares nor maintain funds in the Capital Redemption Reserve account. Consequently, it will commence the process of a reduction of the Company's issued share capital in accordance with the CAMA 2020 subsequent to year end.

29 Retained earnings

<i>In thousands of Naira</i>	31 December 2025	31 December 2024
Opening balance	100,872,647	54,299,026
Preference dividend (see note (a&b))	(7,258,529)	(12,049,335)
Ordinary dividend (See note (a))	(1,372,957)	(372,924)
Dividend paid on preference shareholders at redemption (see note (c))	(3,423,655)	-
Interim ordinary dividend paid (See note (c))	-	(1,864,617)
Redemption of preference shares	(76,024,040)	-
Profit for the year	12,793,466	40,012,150
	8,387,462	60,860,497
Closing balance	21,180,928	100,872,647

(a) Dividend paid

At the AGM held on 11 April 2025, the shareholders approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2024. See below for details with withholding tax (WHT) included:

31 December 2025	Preference dividend \$000	Preference dividend ₦000	Ordinary dividend ₦000
Shareholders			
Nigeria Sovereign Investment Authority (NSIA)	1,528	2,474,845	586,619
Africa Finance Corporation (AFC)	2,009	3,254,790	392,417
InfraCo Africa Investment Limited (InfraCo)	754	1,221,258	109,323
Leadway Assurance Company Limited	190	307,636	115,289
AIICO Insurance Plc	-	-	169,309
Total	4,481	7,258,529	1,372,957

At the 30th Board Meeting of the Company, held on 4 March 2024, the Board approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2022 and 31 December 2023.

See below for details (amount includes WHT):

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31 December 2024	Preference dividend	Preference dividend	Ordinary dividend
Shareholders	\$000	₦000	₦000
Nigeria Sovereign Investment Authority (NSIA)	3,129	4,096,615	74,370
Africa Finance Corporation (AFC)	4,155	5,438,910	74,370
InfraCo Africa Investment Limited (InfraCo)	1,531	2,003,884	72,882
Leadway Assurance Company Limited	390	509,926	38,430
AIICO Insurance Plc	-	-	112,872
Total	9,205	12,049,335	372,924

(b) Preference dividend

31 December 2025	In line with Capital Rate	FX differential between capital rate and rate at date of payment	Total
Shareholders	₦000	₦000	₦000
Nigeria Sovereign Investment Authority (NSIA)	550,892	1,923,953	2,474,845
Africa Finance Corporation (AFC)	733,146	2,521,644	3,254,790
InfraCo Africa Investment Limited (InfraCo)	294,752	926,506	1,221,258
Leadway Assurance Company Limited	78,113	229,523	307,636
Total	1,656,903	5,601,626	7,258,529

31 December 2024	In line with Capital Rate	FX differential between capital rate and rate at date of payment	Total
Shareholders	₦000	₦000	₦000
Nigeria Sovereign Investment Authority (NSIA)	1,128,402	2,968,213	4,096,615
Africa Finance Corporation (AFC)	1,515,999	3,922,910	5,438,909
InfraCo Africa Investment Limited (InfraCo)	598,469	1,405,414	2,003,883
Leadway Assurance Company Limited	160,219	349,707	509,926
Total	3,403,089	8,646,244	12,049,333

(c) Dividend declared

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

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

(d) The Company redeemed its preference shares held by AFC and InfraCo on 25 November 2025 and 11 December 2025, respectively. In addition, the Board approved the payment of dividends due to AFC and InfraCo in 2025. Below is a summary of dividends paid to the preference shareholders as at the respective redemption dates.

31 December 2025	Preference dividend at redemption	Preference dividend
Shareholders	\$000	₦000
Africa Finance Corporation (AFC)	1,653	2,389,754
InfraCo Africa Investment Limited (InfraCo)	709	1,033,901
Total	2,362	3,423,655

(e) The redemption of the AFC and InfraCo preference shares also reflects the unwinding of unrealized exchange gains of N56.2 billion previously recognised in retained earnings (RE) in prior years.

30 Unsecured subordinated long term loans

In thousands of Naira	31 December 2025	31 December 2024
Opening	134,414,766	68,107,426
Accrued Interest	8,245,180	6,364,272
Revaluation loss/(gain)	(10,199,712)	41,590,441
Interest repayment	(8,738,381)	(6,021,164)
Additions (see note (a))	-	24,373,791
	123,721,853	134,414,766
Current	8,921,651	5,828,080
Non-current	114,800,202	128,586,686
	123,721,853	134,414,766

(a) The Company obtained unsecured subordinated loans of USD 26 million and USD 35 million from KfW in 2019 and 2018, respectively, at simple interest rates of 5.25% and 6%, and a further USD 10 million loan from the African Development Bank (AfDB) in 2020 at a simple interest rate of 4.07%. In September 2024, the AfDB also advanced an unsecured subordinated 10-year loan of USD 15 million at a simple interest rate of 7.21% to the Company.

See summary of the loan below:

	Amount disbursed USD	Date disbursed	Maturity date	Interest rate	Balance as at Dec 2025 USD	Balance as at Dec 2024 USD
KFW 1	35,116,800	31 Dec 2018	19 Dec 2028	6.00%	35,183,741	35,185,402
KFW 2	26,196,548	20 Dec 2019	30 Nov 2029	5.25%	26,278,280	26,270,691
AfDB 1	10,000,000	14 Sept 2020	1 Feb 2030	4.07%	9,126,395	10,129,859
AfDB 2	15,000,000	14 Sept 2024	1 Feb 2034	7.21%	15,333,714	15,189,236

31 Related parties transactions

(a) Related parties

Related parties of the comprise the holding company, associates, directors and key management personnel and their close family members. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Infrastructure Guarantee Company Plc.

(i) Parent and ultimate controlling party

Until 20 December 2018, the parent and ultimate controlling party of the Company was Nigeria Sovereign Investment Authority (NSIA). Thereafter, the Company is owned by NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited, Leadway Assurance Company Limited, AIICO Insurance Plc, Cardinal Stone Partners Limited, Access ARM Pension, FCMB Pensions, NUPEMCO, VG Pensions, NLPC PFA, FUNDCO Capital and Crusader Sterling Pension (See Note 9 of Directors' Report and Note 28 for details of shareholdings).

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(ii) **Transactions with related party**

Expenses resulting from transactions with related parties are as follows:

In thousands of Naira	31 December 2025	31 December 2024
Directors allowances to non executive directors	513,838	554,458
Salaries and other short-term employee benefits to key management personnels	256,162	238,374

Key management comprise of the Managing Director and the Chief Operating Officer.

In December 2025, the Company appointed an employee of a shareholder that holds 11.5% of the Company's shares and has a board representative, as an unpaid, non-voting consultant to the New Business and Credit Committee. This shareholder is considered a related-party because it has significant influence over the Company. Although the consultant will receive no fees and has no voting or membership rights, the appointment involves the provision of advisory services. Under IAS 24, this will be treated as a related-party transaction because the services will be provided by an individual connected to a related-party shareholder. No payments will be made in connection with the appointment, and there was no outstanding balances at the end of the reporting period. The Company will apply appropriate confidentiality and insider trading controls in managing the arrangement.

32 Contingent liabilities, litigations and claims

There were no claim against the Company as at 31 December 2025 (2024:Nil) in respect of the issued guarantees.
There was no litigation against the Company as at 31 December 2025 (2024: Nil).

33 Events after reporting date

There are no other events after the reporting date which could have a material effect on the financial position of the Company as at 31 December 2025 and the financial performance for the year ended on that date that have not been adequately provided for or disclosed in the financial statements.

34 Statement of cash flow notes

Notes

(a) **Purchase and redemption of investment securities**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year	257,869,214	157,281,654
Interest income	9	21,705,666
Gain on disposal of financial assets	9c	-
Exchange (loss)/gain on investment securities	(19,217,027)	92,321,925
Impairment loss on investment securities	10	(1,075,455)
Closing balance	16	(257,869,214)
Cash outflow/(inflow)	102,335,125	12,364,576
Cash inflow/(outflow)		
Interest received (note(a)(i))	(29,568,538)	(16,265,470)
Purchase of Investment securities	25,258,788	-
Proceeds from sale/maturity/redemption of investment securities	(98,025,375)	3,900,894,000
Total	(102,335,125)	(12,364,576)

(ai) **Interest received**

In thousands of Naira	31 December 2025	31 December 2024
Interest receivable on investment securities beginning of the year		
Interest income	9	21,705,666
Interest receivable on investment securities	-	(5,440,196)
Cash inflow	29,568,538	16,265,470

(b) **Changes in financial guarantee liability**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year	10,289,597	10,365,600
Net movement (cash outflow)	4,096,495	(76,003)
At the end of the year	14,386,092	10,289,597

(c) **Changes in trade and other receivables**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year	1,936,297	608,386
Impairment loss on other assets (see note 10)	(764,700)	(463,837)
Net movement (cash outflow)	1,377,498	1,791,748
At the end of the year	2,549,095	1,936,297

(d) **Changes in guarantee fee receivable**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year	8,770,252	8,674,785
Net movement (cash inflow)	3,404,531	95,467
At the end of the year	12,174,783	8,770,252

(e) **Changes in other liabilities**

In thousands of Naira	31 December 2025	31 December 2024
Balance at the beginning of the year	3,961,263	2,252,658
Dividend payable	-	1,864,617
Net movement (cash inflow)	(1,465,474)	(156,012)
Withholding tax payable	28,460	-
At the end of the year	2,524,249	3,961,263

(f) **Movement in ordinary share capital**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year (see note 28)	15,255,080	6,215,391
Net movement (net inflow)	11,166,313	9,039,689
At the end of the year	26,421,393	15,255,080

(g) **Movement in irredeemable preference shares**

In thousands of Naira	31 December 2025	31 December 2024
Irredeemable preference shares at the beginning of the year (see note 28(b))	8,022,905	8,022,905
Net movement (net inflow) dividend capitalisation	-	-
At the end of the year	8,022,905	8,022,905

(h) **Movement in redeemable preference shares**

In thousands of Naira	31 December 2025	31 December 2024
At the beginning of the year (see note 28(c))	23,385,829	2,385,829
Net movement (net inflow)	(19,759,922)	-
At the end of the year	3,625,907	23,385,829

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(i) Gain on disposal of property and equipment			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Cost (see note 20)	-	521	
Accumulated depreciation (see note 20)	-	(521)	
Net book value	-	-	
Sales proceed	-	310	
Gain on disposal of property and equipment	11(a)	310	
(j) Unrealised foreign exchange gain			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Exchange loss/(gain) on unsecured subordinated long term loan	(10,199,712)	41,590,441	
Exchange loss/(gain) on investment securities	19,217,027	(92,321,925)	
At the end of the year	11(b)	9,017,315	
(k) Movement in Unsecured Subordinated Capital			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Opening balance	134,414,766	68,107,426	
Addition	-	24,373,791	
Interest expenses (see note (9)(b))	8,245,180	6,364,272	
Repayment (see note 30)	(8,738,381)	(6,021,164)	
Exchange loss/(gain) (see note 30)	(10,199,712)	41,590,441	
Closing balance	30	123,721,853	
(l) Changes in prepayments			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Opening balance	346,076	246,818	
Net movement (cash outflow)	(194,078)	99,258	
Closing balance	19	151,998	
(m) Movement in retained earnings			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Opening balance	100,872,647	54,299,026	
Ordinary dividend paid	(1,372,957)	(372,924)	
Preference dividend paid	(7,258,529)	(12,049,335)	
Ordinary dividend payable	-	(1,864,617)	
Dividend paid on preference shareholders at redemption	(3,423,655)	-	
Redemption of preference shares	(76,024,040)	-	
Profit for the year	8,387,462	60,860,497	
Closing balance	29	21,180,928	
(n) Movement in lease liabilities			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Opening balance	64,803	122,196	
Lease remeasurement	-	157,407	
Lease payment	-	(231,000)	
Net movement (cash outflow)	17,658	16,200	
Closing balance	27	82,461	
(o) Movement in employee benefit			
<i>In thousands of Naira</i>			
	31 December 2025	31 December 2024	
Opening balance	1,417,937	1,046,498	
Net movement (cash outflow)	365,357	371,439	
Closing balance	26	1,783,294	

35 Contravention of laws and regulations

The Company contravened certain laws and regulations during the year. Details of the contravention and the related penalty is as follows:

<i>In thousands of Naira</i>		31 December 2025
Penalty paid on stamp duty to Federal Inland Revenue Services		89,000
During the year, the Federal Inland Revenue Service (FIRS) conducted a tax audit of the Company, which resulted in the payment of a penalty amounting to N89 million.		

Other Information - Capital Management

Capital management

The strategy for assessing and managing the impact of the business plans on both core and contingent capital forms an integral part of the Company's strategic plan. The fundamental driver in determining capital adequacy for a credit guarantor is the sufficiency of capital to cover the expected losses on the portfolio given an assumed worst case expected loss scenario with adequate consideration given to the leverage levels and the ability of the Company to access its capital - both the invested qualifying capital and if necessary the unfunded contingent capital facility to make payment for losses under a financial guarantee. The strategy and approach to capital management is to operate with a conservative policy which is centred around ensuring that the capital structure of the Company is resilient and able to absorb losses and recapitalize from internal cashflows without external fundings. As at 31 December, 2025, the Company met all capital requirements imposed by Securities and Exchange Commission (SEC) during the year ended 31 December 20205.

Qualifying capital is defined as:

- The aggregate of fully paid-in equity, plus
- Subordinated capital, and
- Callable capital

"Notional amount guaranteed" means an amount equal to:

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

<i>In thousands of Naira</i>	31 DECEMBER 2025	31 DECEMBER 2024
Qualifying capital		
Share capital	26,421,393	15,255,080
Cumulative irredeemable preference capital	8,022,905	8,022,905
Cumulative redeemable preference capital	3,625,909	23,385,829
Share premium	26,032,901	10,668,787
Prep-paid Capital Reserves	842,757	-
Retained earnings	21,180,928	100,872,647
Capital redemption reserve	19,759,922	
Debt Capital	123,721,853	134,414,766
Qualifying capital	229,608,567	292,620,014
Notional amount guaranteed		
Amount guaranteed	299,009,652	220,538,691
Re-guarantee (USAID)	(60,385,498)	(64,587,499)
Accrued interest	3,811,996	4,255,474
Credit risk mitigant/reserve account	(14,198,560)	(11,967,210)
Notional amount guaranteed	228,237,590	148,239,455
Gross core capital leverage ratio	1.32	0.77
Net qualifying Capital leverage ratio	0.99	0.51

Other Information - Other National Disclosures

Other national disclosures

Value added statement

<i>In thousands of Naira</i>	31 Decemeber 2025	%	31 Decemeber 2024	%
Gross income	29,873,952	116	77,666,502	108
Bought in goods and services - Local	(4,131,642)	(16)	(5,702,061)	(8)
Value added	25,742,310	100	71,964,441	100
Applied to pay:				
Financial statements				
Interest expense	8,536,335	36	6,674,335	9
Employees				
Wages, salaries and other benefits	4,768,891	20	3,584,625	5
Government				
Taxation	1,579,284	7	698,051	1
Retained in the business				
For replacement of property and equipment and ROU assets (depreciation)	237,591	1	136,551	-
For replacement of computer software (amortisation)	2,954	-	10,382	-
To augment reserves	8,387,462	36	60,860,497	85
Value added	23,512,517	100	71,964,441	100

Other national disclosures

Five Year Financial summary

Statement of Financial Position

<i>In thousands of Naira</i>	<i>Note</i>	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Assets:						
Cash and cash equivalents	15	66,080,578	39,013,538	7,702,488	6,319,690	1,760,077
Investment securities	16	167,535,513	257,869,214	157,281,654	72,297,037	67,040,896
Guarantee fee receivable	17	12,174,783	8,770,252	8,674,785	6,521,354	4,558,673
Trade and other receivables	18	2,549,095	1,936,297	608,386	265,884	230,299
Prepayments	19	151,998	346,076	246,818	57,535	60,511
Property Plant & Equipment	20	596,089	423,466	410,661	397,653	401,058
Intangible assets	22	273,074	124,464	128,844	128,190	43,854
Deferred tax asset	24	792,923	483,602	380,461	483,821	320,112
Total assets		250,372,805	309,243,995	175,434,097	86,405,163	74,415,480
Liabilities:						
Current tax liability	14(c)	1,988,143	890,381	599,649	99,272	49,030
Financial guarantee liability	23	14,386,092	10,289,597	10,365,600	7,382,654	5,353,627
Other liabilities	25	2,524,249	3,961,263	2,364,295	1,732,185	84,225
Employee benefit obligation	26	1,783,294	1,417,937	934,856	255,664	-
Lease liability	27	82,461	64,803	122,196	104,155	1,092,025
Unsecured subordinated long term loan	30	123,721,853	134,414,766	68,107,426	32,986,699	30,333,140
Total liabilities		144,486,092	151,038,747	82,494,022	42,560,630	36,912,047
Net assets		105,886,713	158,205,248	92,940,075	43,844,533	37,503,433
Capital and reserves:						
Ordinary share capital	28(a)	26,421,393	15,255,080	6,215,391	3,497,637	3,497,637
Irredeemable preference share capital	28(b)	8,022,905	8,022,905	8,022,905	8,022,905	8,022,905
Redeemable preference share capital	28(c)	3,625,907	23,385,829	23,385,829	21,915,065	20,281,503
Deposit for shares		-	-	-	-	113,945
Share premium	28(e)	26,032,901	10,668,787	1,016,924	113,945	426,819
Prepaid capital reserves	27(f)	842,757	-	-	-	-
Capital redemption reserve	28(g)	19,759,922	-	-	-	-
Retained earnings	29	21,180,928	100,872,647	54,299,026	10,294,981	5,160,624
Total shareholders' funds		105,886,713	158,205,248	92,940,075	43,844,533	37,503,433
Statement of profit or loss and other comprehensive income						
Income statement						
Operating income		18,405,818	67,921,695	50,511,440	8,830,619	5,281,478
Operating expenses		(8,439,072)	(6,363,147)	(3,464,069)	(2,552,004)	(1,814,021)
Profit before minimum tax and income tax expense		9,966,746	61,558,548	47,047,371	6,278,615	3,467,457
Minimum taxation		-	-	(61,112)	(36,472)	(14,484)
Profit after minimum tax		9,966,746	61,558,548	46,986,259	6,242,143	3,452,973
Tax charge/(credit)		(1,579,284)	(698,051)	(607,113)	100,607	(10,343)
Profit for the period		8,387,462	60,860,497	46,379,146	6,342,749	3,442,630

Other Information - Supplementary Financial Information

Other information - Supplementary financial information

Statement of financial position

As at:

	Note	31 December 2025	31 December 2024
		\$'000	\$'000
Assets			
Cash and cash equivalents	9	45,892	25,187
Investment securities	10	116,349	166,474
Guarantee fee receivable	11	8,455	5,662
Trade and other receivables	12	1,770	1,250
Prepayments	13	106	223
Property and equipment	14	414	272
Right-of-use asset	15	152	179
Intangible asset	16	190	80
Deferred tax asset	18	551	312
Total assets		173,879	199,639
Liabilities			
Current tax liability	8(c)	1,381	575
Financial guarantee liability	17	9,991	6,643
Other liabilities	19	1,753	2,557
Employee benefit obligation	20	1,239	915
Lease liability	21	57	42
Unsecured subordinated long term loans	24	85,922	86,775
Total liabilities		100,343	97,507
Equity			
Ordinary share capital	22(a)	25,209	17,920
Irredeemable preference share capital	22(b)	22,250	22,250
Redeemable preference share capital	22(c)	9,556	59,467
Share premium	22(e)	17,435	7,409
Prepaid capital reserves	22(f)	550	-
Retained earnings	23	17,862	7,892
Translation reserves	25	(19,326)	(12,806)
Total equity		73,536	102,132
Total liabilities and equity		173,879	199,639

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

Other information - Supplementary financial information

Statement of profit or loss and other comprehensive income

For the period ended:

	Note	31 December 2025	31 December 2024
		\$'000	\$'000
Gross revenue		24,085	17,991
Guarantee fee income	1	4,660	3,481
Guarantee fee expenses	2	(957)	(1,006)
		3,703	2,475
Interest income calculated using the effective interest method.	3(a)	19,425	14,510
Interest expense	3(b)	(5,608)	(4,462)
Gain on disposal of financial assets	3(c)	1,465	-
Impairment charge on financial instruments	4	(969)	(1,046)
Other income	5	-	14
		18,016	11,491
Personnel expenses	6(a)	(3,133)	(2,396)
Depreciation of property and equipment	14	(117)	(71)
Depreciation of right-of-use asset	15	(38)	(21)
Amortisation of intangible asset	16	(2)	(7)
Other operating expenses	7	(2,253)	(1,759)
		(5,543)	(4,254)
Profit before minimum tax and income tax expense		12,473	7,237
Tax expense	8(a)	(1,038)	(466)
Profit for the period		11,435	6,771
<i>Other comprehensive income:</i>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference	25(b)	(6,520)	(7,232)
Total comprehensive profit		4,915	(461)

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

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Other information - Supplementary financial information

Statement of changes in equity

For the period ended

	Share capital	Irredeemable preference capital	Redeemable preference capital	Share premium	Prepaid capital reserves	Translation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2025	17,920	22,250	59,467	7,409	-	(12,806)	7,892	102,132
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	11,435	11,435
Other Comprehensive income (see note 25 (b))	-	-	-	-	-	(6,520)	6,274	(246)
Total comprehensive income for the period	-	-	-	-	-	(6,520)	17,709	11,189
<i>Transactions with owners of company:</i>								
Issue of additional Ordinary shares (see 22 (e))	7,289	-	-	10,423	-	-	-	17,712
Transaction cost relating to issue of shares (see 22 e))	-	-	-	(397)	-	-	-	-
Payment of preference dividend (See note 23)	-	-	-	-	-	-	(4,481)	(4,481)
Payment of ordinary dividend (See note 23)	-	-	-	-	-	-	(896)	(896)
Prepaid capital reserves (See note 22 (f))	-	-	-	-	550	-	-	550
Redemption of preference shares	-	-	(49,911)	-	-	-	-	(49,911)
Dividend paid as at redemption of preference shares	-	-	-	-	-	-	(2,362)	(2,362)
Total comprehensive income for the period	7,289	-	(49,911)	10,026	550	-	(7,739)	(39,785)
Balance at 31 December 2025	25,209	22,250	9,556	17,435	550	(19,326)	17,862	73,536
Balance as at 1 January 2024	12,130	22,250	59,467	1,228	-	(5,574)	8,129	97,629
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	6,771	6,771
Other Comprehensive income (see note 25 (b))	-	-	-	-	-	(7,232)	3,710	(3,522)
Total comprehensive income for the period	-	-	-	-	-	(7,232)	10,481	3,249
<i>Transactions with owners of company:</i>								
Issue of additional Ordinary shares	5,790	-	-	6,195	-	-	-	11,985
Transaction cost relating to issue of shares	-	-	-	(14)	-	-	-	(14)
Payment of preference dividend (See note 23)	-	-	-	-	-	-	(9,205)	(9,205)
Payment of ordinary dividend (See note 23)	-	-	-	-	-	-	(309)	(309)
Ordinary dividend declared	-	-	-	-	-	-	(1,204)	(1,204)
Total comprehensive income for the period	5,790	-	-	6,181	-	-	(10,718)	1,253
Balance at 31 December 2024	17,920	22,250	59,467	7,409	-	(12,806)	7,892	102,131

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

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

<i>In thousands of US Dollars</i>	Notes	31 December 2025	31 December 2024
		\$'000	\$'000
Cash flow from operating activities:			
Profit after tax		11,435	6,771
Tax charge	8(a)	1,038	466
Profit before tax		12,473	7,237
Adjustment for:			
Depreciation of property and equipment	14	117	71
Depreciation of right-of-use asset	15	38	21
Amortisation of intangible asset	16	2	7
Impairment loss on financial instruments	4	969	1,046
Interest income	3(a)	(19,425)	(14,510)
Interest expense	3(b)	5,417	4,254
Gain on disposal of financial assets	3(c)	(1,465)	-
Gain on sale of property, plant and equipment	5	-	(14)
		(1,874)	(1,888)
Changes in:			
Trade and other receivables	29(c)	(957)	(1,157)
Prepayments	29(q)	128	(66)
Guarantee fee receivable	29(d)	(2,364)	(62)
Financial guarantee liability	29(b)	2,845	(49)
Lease liability	29(o)	12	11
Employee benefit obligation	29(r)	259	(231)
Other liabilities	29(e)	(1,038)	(101)
		(1,115)	(1,655)
Interest received	29(ai)	19,426	14,510
Tax paid	8(c)	(520)	(341)
Net cash flows generated from operating activities		15,917	10,626
Cash flow from investing activities:			
Acquisition of property and equipment	29(j)	(267)	(161)
Acquisition of intangible asset	29(k)	(105)	(4)
Purchase of Financial assets	3(c)	(16,420)	-
Redemption of investment securities	29(a)	60,123	(2,518)
Net cashflows generated from / (used in) investing activities		43,331	(2,683)
Cash flow from financing activities:			
Proceeds from issue of share capital	22(a)	7,289	5,790
Share premium arising from issue of shares	22(e)	10,423	6,195
Transaction cost on to issue of shares	22(e)	(397)	(14)
Interest paid	29(m)	(5,741)	(4,025)
Preference dividend paid	29(s)	(4,481)	(9,205)
Ordinary dividend paid	29(s)	(326)	(309)
Proceeds from borrowing		-	14,860
Principal lease payments	29(o)	-	(154)
Preference dividend paid at redemption	29(s)	(2,362)	-
Redemption of redeemable preference shares	22(c)	(49,911)	-
Net cashflows used in financing activities		(45,506)	13,138
Increase in cash and cash equivalents		13,742	21,080
Cash and cash equivalents at beginning of the year	9	25,214	8,092
Effect of movement in exchange rates on cash held	29(t)	7,055	(3,958)
Cash and cash equivalents at the end of the year	9	46,011	25,214

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

Other information - Supplementary financial information

1 Guarantee fee income

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Mandate fees (a)	163	77
Guarantee fees (b)	3,664	2,754
Monitoring fees (c)	833	650
	4,660	3,481

- (a) Amount represents the fees earned from clients for the preliminary analysis and due diligence done by the Company for providing guarantees for the issued and proposed infrastructure bonds.
- (b) Amount represents the amortised portion of the non-refundable fee calculated as a percentage of the guaranteed amount earned from customers. See Note 27 for breakdown of all guarantees issued.
- (c) Amount represents the amortised portion of fixed non-refundable annual fees for providing monitoring services for guarantees issued.

2 Guarantee fee expense

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Guarantee fee expense (a)	-	104
Re-guarantee fee expense (a)	397	429
Upfront fee expense (a)	-	18
Monitoring fee expense (a)	28	24
Due diligence/project development expense (b)	283	57
Guarantee consultancy expenses	248	374
	957	1,006

- (a) Amounts represent the fee expenses incurred by the Company in respect of the callable capital funding facility agreement with GuarantCo which was cancelled in June 2024. And other direct due diligence and project development cost directly attributable to the deals in the pipeline. Re-guarantee fees represents fees paid to African Trade & Investment Development Insurance and GuarantCo in respect of Pan African Towers Ltd and LFZC risk-sharing arrangements respectively.
- (b) Amount represents due diligence, project development activities and consultancy fees on guarantee transactions.

3 Net investment income

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
(a) Interest income		
Bank placements	6,358	1,399
Eurobonds	12,281	12,447
FGN Bonds	337	358
Treasury bills	449	306
	19,425	14,510

The total interest income calculated using the effective interest rate (EIR) method for financial assets at amortised cost is USD 19.8 million (2024: USD 14.5 Million)

(b) Interest expense		
Interest expense long-term unsecured subordinated loans	5,417	4,254
Interest expenses leased liabilities (see note (15))	12	11
Investment management fee expenses	180	197
	5,608	4,462
Net interest income (a)-(b)	13,817	10,048

Investment management fee expenses represent fees incurred and paid to investment custodians for the management, administration, and oversight of the Company's investment portfolios.

(c) Gain on disposal of financial assets	31 December 2025	31 December 2024
Proceed from disposal	-	-
Carrying amount	(14,713)	-
Gain on disposal of financial assets	1,465	-

The above represents gain from the disposal eurobonds during the year.

4 Impairment charge on financial instruments

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Investment securities (see note 10(a))	382	719
Other receivables (see note 12(b))	502	310
Cash equivalents (see Note 9(a))	84	17
	969	1,046

Other information - Supplementary financial information

5 Other Income

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Gain on sale of property, plant and equipment	-	14

6 Personnel expenses

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Wages and salaries	836	725
Short term incentive scheme (see note (20))	590	253
Other staff costs	1,078	1,108
Long term incentive scheme (see note 20)	470	187
Pension cost	159	123
	3,133	2,396

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

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

	31 December 2025	31 December 2024
Managerial	23	20
Other staff	18	15
	41	35

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

	31 December 2025	31 December 2024
USD 10,000 - USD 20,000	-	6
USD 20,000 - USD 50,000	16	21
USD 50,000 and above	25	8
	41	35

(d) Directors' remuneration

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Fees	338	370
Total	338	370

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Chairman	35	36
Highest paid director	99	95

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

	31 December 2025	31 December 2024
USD 20,000-USD 35,000	9	9

7 Other operating expenses

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Directors remuneration (Non-executive)	338	370
Marketing and advertising	105	58
Stationery and printing	9	6
Traveling and entertainment	210	249
Office expenses	10	26
Auditors remuneration	39	175
Information technology expenses	218	282
Training expenses	286	48
Administration and membership fees	6	239
Professional fees (See note (a) below)	393	20
Maintenance expenses	26	36
Insurance expenses	53	31
Utility and electricity	39	219
Other expenses (See note (b) below)	522	-
	2,253	1,759

Other information - Supplementary financial information

7 Other operating expenses - Continued

(a) Professional fees

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Legal and secretarial fees	50	67
Other professional fees	242	102
HR consultancy	32	2
Credit rating expenses	68	68
	393	239

Included in other professional fees are tax advisory fees, internal audit fee, people strategy expenses and ESG routine development impact field survey costs.

(b) Other expenses

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Bank charges	55	10
Board meeting expenses	153	36
Recruitment costs	4	7
ITF Levy	18	16
Development Expenses	-	18
Corporate membership	13	-
Outsourced/contract Staff	11	-
Courier/freight	1	-
Miscellaneous expenses (i)	266	132
	522	219

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

8 Taxation

(a) Tax Credit

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
i Current tax		
Company income tax	1,066	108
Education Tax	109	14
Information technology tax	65	411
Police Trust Fund levy	0	2
Current Income tax expense (See note 8 (c))	1,241	535
ii Deferred tax		
Deferred tax expense/(credit) (see note 18)	(203)	(69)
Income tax expenses	1,038	466
Total income tax expenses	1,038	466

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

Other information - Supplementary financial information

8 **Taxation - Continued**

(b) **Reconciliation of effective income tax rate**

<i>In thousands of Dollars</i>	31 December 2025		31 December 2024	
	Amount	Rate	Amount	Rate
Profit before tax	12,473		2,894	
Income tax @ 30% tax rate	3,742	30%	868	30%
Non-deductible expenses	1,194	10%	884	31%
Education tax	109	1%	-	0%
Tax exempt income	(4,186)	-34%	(1,467)	-51%
Information technology tax (see note 8(a))	65	1%	370	13%
Tax losses	-	0%	15	1%
Nigeria Police Trust Fund Levy (see note 8a))	-	0%	2	0%
Effect of movement in exchange rate	85	0%	(228)	-8%
(Recognition)/derecognition of (additional)/previously recognised deductible temporary difference	29	0%	22	1%
	1,038	8%	466	16%

(c) **Current tax liability**

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening Balance	575	630
<i>Charge for the period see note 8(a):</i>		
Current tax	1,241	535
Payment during the period	(520)	(341)
Effect of movement in exchange rate	85	(249)
Closing balance	1,381	575

9 **Cash and cash equivalents**

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Cash in hand	-	-
<i>Cash Equivalents:</i>		
Balances with banks	1,706	4,620
Bank placement	44,305	20,594
Cash equivalents (gross)	46,011	25,214
Impairment allowance on cash equivalents (see note (a) below)	(119)	(27)
Cash equivalents (net)	45,892	25,187
Cash and cash equivalents in the statement of financial position	45,892	25,187
Impairment allowance on cash equivalents (see note (a) below)	119	27
Cash and cash equivalents in the statement of cash flows	46,011	25,214
Current	45,892	25,187

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening balance	27	17
Recognised in income statement (See note 4)	84	17
Effect of movement in exchange rate	8	(7)
Closing balance	119	27

Other information - Supplementary financial information

10 Investment securities

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
FGN Eurobonds at amortised cost (i)	99,077	148,154
Corporate Eurobonds at amortised cost (i)	16,467	15,012
Treasury bills	-	2,145
FGN Bonds (ii)	2,905	2,740
	118,449	168,051
Impairment allowance on investment securities (see note (a) below)	(2,100)	(1,577)
Investment securities	116,349	166,474
Current	71,011	71,011
Non-Current	45,338	95,463
Total	116,349	166,474

(i) FGN Eurobonds have stated yields of 5.43% to 10.65% with maturity in five months to seven years (31 December 2024: six months to seven years).

(ii) Corporate Eurobonds have stated yields of 3.95% to 6.25% with maturity varying from 3 months to 3 years and 8 months (31 December 2024: six months to seven years).

(iii) FGN Bonds have stated yields ranging between 5% to 14.55% and mature in one month to four years (31 December 2024: a year to five years).

The movement in carrying amount of investment securities is as follows:

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
(a) Opening balance	168,051	166,685
Additions during the year	6,458	1,366
Accrued interest income (See note 3)	19,425	14,510
Payment received	(89,325)	(13,791)
Effect of movement in exchange rate	13,840	(719)
Closing balance	118,449	168,051

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
(b) Opening balance	1,577	1,437
Recognised in income statement (See note 4)	382	719
Effect of movement in exchange rate	141	(579)
Closing balance	2,100	1,577

11 Guarantee fee receivable

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening Balance	5,662	9,114
Present value of guarantee fee received	(3,272)	(1,663)
Addition during the period	5,636	1,725
Effect of movement in exchange rate	429	(3,514)
Gross guarantee fee receivable	8,455	5,662
Impairment allowance	-	-
Guarantee fee receivable (see (a) below)	8,455	5,662
Current	2,293	1,142
Non-current	6,162	4,520
Total	8,455	5,662

(a) Amount represents the present value of guarantee fees receivable under the contracts undertaken by the Company to provide financial guarantee contracts. See Note 27 for the guarantees issued by the Company.

Other information - Supplementary financial information

12 Trade and other receivables <i>In thousands of Dollars</i>	31 December 2025	31 December 2024
<i>Other financial assets</i>		
Trade receivable (a)	2,769	1,632
Other receivables (b)	2	60
	2,771	1,692
Impairment (see note (c) below)	(1,012)	(447)
	1,759	1,245
<i>Non financial assets</i>		
Cash advance	11	5
	11	5
Total- Other assets	1,770	1,250
Current	1,770	1,250
Non-Current	-	-
Total	1,770	1,250

- (a) Trade receivables relates to unpaid mandate and guarantee fees billed to clients and preliminary due diligence cost borne by InfraCredit and to be refunded by clients. The average credit period is 30 days. No interest is charged on outstanding trade receivables.
- (b) Other receivables relates to Withholding Tax receivable and receivables from monitoring fee from BOI and other various clients.
- (c) The movement in impairment allowance on other assets is as follows:

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening balance	447	240
Recognised in income statement (See note 4)	502	310
Effect of movement in exchange rate	63	(103)
Closing balance	1,012	447

13 Prepayments <i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Prepayments	106	223
Current	106	223
Non-Current	-	-
Total	106	223

Other information - Supplementary financial information

14 Property and equipment

<i>In thousands of Dollars</i>	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Work in progress	Leasehold improvement	Total
<i>Cost</i>							
Balance as at 1 January 2024	105	128	73	261	3	149	719
Additions	34	44	1	60	21	1	161
Disposals	-	-	-	-	(1)	-	(1)
Transfer from WIP	1	-	1	-	(1)	-	1
Effect of movement in exchange rate	(41)	(50)	(29)	(102)	(1)	(58)	(281)
Balance as at 31 December 2024	99	122	46	219	21	92	599
Balance as at 1 January 2025	99	122	46	219	21	92	599
Additions	96	49	2	96	-	24	267
Transfer from WIP	-	-	-	-	(23)	-	(23)
Effect of movement in exchange rate	7	10	3	18	2	7	47
Balance as at 31 December 2025	202	181	51	333	-	123	890
<i>Accumulated depreciation</i>							
Balance as at 1 January 2024	67	100	67	137	-	51	422
Depreciation for the year	14	11	2	34	-	10	71
Effect of movement in exchange rate	(27)	(39)	(26)	(54)	-	(20)	(166)
Balance as at 31 December 2024	54	72	43	117	-	41	327
Balance as at 1 January 2025	54	72	43	117	-	41	327
Depreciation for the year	29	22	1	54	-	11	117
Effect of movement in exchange rate	5	7	4	13	-	3	32
Balance as at 31 December 2025	88	101	48	184	-	55	476
<i>Carrying amounts</i>							
Balance as at 31 December 2024	45	50	3	102	21	51	272
Balance as at 31 December 2025	114	80	3	149	-	68	414

- (i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2024:Nil).
- (ii) There were no impairment losses on any class of property and equipment during the year (31 December 2024:Nil).
- (iii) There are no restriction on the Company's title to its property and equipment during the year (31 December 2024:Nil).
- (iv) All property and equipment are non-current.

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15 Right-of-use asset

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Cost		
Opening balance	188	230
Addition to right-of-use asset	-	188
Derecognition of to right-of-use asset	-	(141)
Effect of movement in exchange rate	15	(89)
Closing balance	203	188
Accumulated Depreciation		
Opening balance	9	94
Charge for the period	38	21
Derecognition of accumulated depreciation on right-of-use asset	-	(68)
Effect of movement in exchange rate	4	(38)
Closing balance	51	9
Carrying amount	152	179
Amounts recognised in profit or loss		
Interest on lease liabilities	Work in progress 12	31 December 2024 11
Depreciation charge of right-of-use assets	38	21

16 Intangible assets

<i>In thousands of Dollars</i>	Computer software	Work in progress	Total
Cost			
Opening balance as at 1 January 2025	48	77	125
Additions	-	105	105
Effect of movement in exchange rate	4	6	10
Closing balance as at 31 December 2025	52	188	239
Accumulated Amortisation			
Opening balance as at 1 January 2025	45	-	45
Charge for the period	2	-	2
Effect of movement in exchange rate	2	-	2
Closing balance as at 31 December 2025	49	-	49
Carrying amount as at December 2025	3	188	190

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

<i>In thousands of Dollars</i>	Computer software	Work in progress	Total
Cost			
Opening balance as at 1 January 2024	83	114	197
Additions	-	4	4
Effect of movement in exchange rate	(34)	(41)	(76)
Closing balance as at 31 December 2024	48	77	125
Accumulated Amortisation			
Opening balance as at 1 January 2024	62	-	62
Charge for the period	7	-	7
Effect of movement in exchange rate	(24)	-	(24)
Closing balance as at 31 December 2024	45	-	45
Carrying amount as at 31 December 2024	3	77	80

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

17 Financial guarantee liability

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening balance	6,643	10,891
Amortised guarantee liability during the period	(3,873)	(2,659)
Addition	6,717	2,610
Effect of movement in exchange rate	504	(4,199)
Financial guarantee liability	9,991	6,643
Current	2,797	1,880
Non-current	7,194	4,763
	9,991	6,643

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

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18 Deferred tax asset

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Property and equipment	(150)	(105)
Tax losses	-	-
Allowance for expected credit losses	700	417
	351	312

Deferred taxes are calculated on all temporary differences under the liability method using a statutory tax rate of 33% (2024: 33%).

(a) Movements in temporary differences during the year:

<i>In thousands of Dollars</i>	1 January 2025	Recognised in profit or loss	Effect of movement in exchange rate	31 December 2025
Property and equipment	(105)	(35)	(10)	(150)
Tax losses	-	-	-	-
Allowance for expected credit losses & other deferred tax items	417	238	46	700
	312	203	36	551

(b) Movements in temporary differences 1 January 2024 to 31 December 2024:

<i>In thousands of Dollars</i>	1 January 2024	Recognised in profit or loss	Effect of movement in exchange rate	31 December 2024
Property and equipment	(87)	(53)	36	(105)
Tax losses	-	-	-	-
Allowance for expected credit losses & other deferred tax items	487	122	(193)	417
	400	69	(157)	312

19 Other liabilities

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
<i>Financial liabilities</i>		
Accruals (see note (i) below)	646	473
	646	473
<i>Non financial liabilities</i>		
Other payables (see note (ii) below)	463	533
Output VAT	184	100
Deferred revenue	460	320
Dividend payable (see note (iii) below)	-	1,131
	1,107	2,084
Total - Other Liabilities	1,753	2,557
Current	1,753	2,557
Non current	-	-
	1,753	2,557

- (i) This represents the payables in respect of services rendered to the Company by different professional services firms and vendors.
(ii) This represents performance pay provisions, vacation allowance, car allowance, mortgage subsidy allowance and provisions for other staff benefits.
(iii) This represents ordinary dividend (net of WHT) declared during the period to all ordinary shares ranking for dividends.

20 Employee benefit obligation

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Long term incentive scheme (see note (i) below)	627	489
Employee liabilities (see note (iii) below)	142	117
Short term incentive scheme (see note (ii) below)	470	309
	1,239	915

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening Balance	489	540
Accruals during the period	470	187
Payment during the period	(375)	(24)
Effect of movement in exchange rate	43	(214)
	627	489

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening Balance	309	443
Accruals during the period	590	253
Payment during the period	(487)	(208)
Effect of movement in exchange rate	58	(179)
	470	309

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21 Lease liabilities

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening	42	128
Addition to lease liabilities	-	102
Lease payment	-	(154)
Interest expense on lease liabilities	12	11
Effect of movement in exchange rate	3	(45)
	<u>57</u>	<u>42</u>

The above lease is a 5 year lease effective November 2019 to September 2024, Management subsequently entered into a new lease for a 5 year period from October 2024 to September 2029 for which it has prepaid for three (3) years. During the period, the Company recognised a nil gain (2024:USD 14 thousand) on derecognition of the right-of-use asset and presented the gain as part of 'Gain on sale of property, plant and equipment'. See note 5.

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Non-current	57	42
Current	-	-
	<u>57</u>	<u>42</u>

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

22 Share capital

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
(a) Authorised		
61,421,392,875 shares of USD0.0006527 each (2024: 50,255,079,725 shares of USD 0.003284 each)	<u>172,330</u>	<u>165,041</u>
Ordinary shares		
Issued and fully paid		
26,421,392,875 shares of USD 0.0006527 each (2024: 15,255,079,725 shares of USD 0.002652 each)		
Movement in the period		
Opening balance	17,920	12,131
Issue of ordinary shares	7,289	5,790
Closing balance	<u>25,209</u>	<u>17,920</u>

(b) Authorised, issued and fully paid irredeemable preference shares

Preference Shares (irredeemable)	<u>22,250</u>	<u>22,250</u>
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Irredeemable preference shares have no repayment date and there is no obligation on the part of the Company to repay the capital. Dividend payment on irredeemable preference shares is discretionary based on the recommendation of the Board and subject to the approval of the shareholders.

Preference shares (redeemable)

(c) Authorised, issued and fully paid redeemable preference shares

Opening balance	59,467	59,467
Redemption of preference shares	(49,911)	-
Closing balance	<u>9,556</u>	<u>59,467</u>

The Company redeemed its preference shares held by AFC and INFRACO on 25 November 2025 and 11 December 2025, respectively.

At the Board Meeting of the Company, held on 11 April 2025, the Board approved the declaration of dividend of USD 4,480,906 million (4,386,523.12 net WHT); NSIA: USD1.528 million (exempted from WHT), AFC: USD2.009 million (exempted from WHT), Infraco: USD754 thousand (i.e. USD679 thousand net of WHT @10%) and Leadway USD190 thousand (i.e. USD171 thousand net of WHT at 10%).

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

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22 Share capital - Continued

31 December 2025	Number of ordinary shares held	Number of preference shares held	Total number of shares held
Shareholders:			
Nigeria Sovereign Investment Authority (NSIA)	6,517,989,417	10,187,280,172	16,705,269,589
Access ARM Pensions*	5,370,000,000	-	5,370,000,000
Africa Finance Corporation (AFC)	4,360,193,641	-	4,360,193,641
CardinalStone*	3,503,159,670	-	3,503,159,670
Leadway Assurance Company Limited	1,280,986,652	1,461,531,905	2,742,518,557
AIICO Insurance Plc	1,881,206,139	-	1,881,206,139
InfraCo Africa Investment Limited (InfraCo)	1,214,703,876	-	1,214,703,876
FCMB Pensions*	683,500,000	-	683,500,000
NUPEMCO Fund III*	596,409,137	-	596,409,137
VG Pensions RSA Fund*	530,035,331	-	530,035,331
Crusader Sterling Pensions*	411,522,633	-	411,522,633
First PCNNLPC PFA Limited*	70,671,378	-	70,671,378
FUNDCO Capital Managers Limited*	1,000,000	-	1,000,000
Other shareholders*	15,001	-	15,001
	26,421,392,875	11,648,812,077	38,070,204,952
Capital redemption reserve			
Nominal value of the preference shares	-	19,759,919,854	19,759,919,854
Shares held in trust:			
United Capital Trustees Limited (UCTL)**	-	3,591,268,069	3,591,268,069
	26,421,392,875	35,000,000,000	61,421,392,875

* represent the new shareholders during the period

** represents authorised but unissued preference shares held in trust with United Capital Trustees Limited (UCTL)

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

* represents authorised but unissued preference shares held in trust with United Capital Trustees Limited (UCTL)

On 29 August 2024, the shareholders approved the issuance of 11,166,313,150 ordinary shares of USD0.00065 each via private placement at a price of USD0.0016 per share. These shares were duly allotted upon completion of the private placement exercise on 2 April 2025.

(e) Share premium

	31 December 2025	31 December 2024
	17,435	7,409
In 2025, 11,166,313,150 units of ordinary shares of USD 0.0015862 each were allotted to new share holders at USD 0.001 per share, giving rise to a share premium of USD 10,423,000.		
In 2024, 9,039,688,882 units of ordinary shares of USD 0.00064 each were allotted to existing share holders at USD 0.001 per share, giving rise to a share premium of USD 6,195,039. The gross proceed from the issue of shares amounted to USD 11,984,975. See breakdown below.		
31 December 2025		
<i>In thousands of Dollars</i>		
	Ordinary shares	Share premium
3,503,159,670 ordinary shares at a premium of USD 0.0009334 each to Cardinal Stone Partners	2,287	3,270
5,370,000,000 ordinary shares at a premium of USD 0.0009334 each to Access ARM Pension	3,505	5,012
411,522,633 ordinary shares at a premium of USD 0.0009334 each to Crusader Sterling Pension	269	384
683,500,000 ordinary shares at a premium of USD 0.0009334 each to FCMB Pensions	446	638
596,409,137 ordinary shares at a premium of USD 0.0009334 each to NUPEMCO	389	557
530,035,331 ordinary shares at a premium of USD 0.0009334 each to VG Pensions	346	495
70,671,378 ordinary shares at a premium of USD 0.0009334 each to NLPC PFA	46	66
1,000,000 ordinary shares at a premium of USD 0.0009334 each to FUNDCO Capital	1	1
15,000 ordinary shares at a premium of USD 0.0009334 each to Other shareholders	0	0
Gross proceeds	7,289	10,423
31 December 2024		
<i>In thousands of Dollars</i>		
	Ordinary shares	Share premium
5,278,495,666 ordinary shares of USD 0.00068 each to NSIA	3,363	3,598
3,120,669,890 ordinary shares of USD 0.00068 each to AFC	2,014	2,154
640,493,326 ordinary shares of USD 0.00068 each to Leadway	413	443
Gross proceeds	5,790	6,195
Movement in the period		
	31 December 2025	31 December 2024
Opening balance	-	7,409
Addition	-	10,423
Expenses on share issued	-	(397)
Closing balance	17,435	7,409

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(f) Pre-paid Capital Reserves	2025	2024
Additions	550	-
Closing balance	550	-

The shareholders were given the option to receive either a scrip dividend or a cash dividend, all shareholders with the exception of Infraco and AFC opted for the scrip dividend. Specifically, NSIA, AIICO, and Leadway selected the scrip dividend option. However, due to the unavailability of ordinary shares for subscription arising from the recently concluded private placement in which all existing shares had already been allocated the scrip dividend has been placed in reserve, pending the creation of new ordinary shares to accommodate the shareholders who elected the scrip option.

23 Retained earnings

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Opening balance	7,892	8,129
Preference dividend	(4,481)	(9,205)
Ordinary dividend (See note (a))	(896)	(309)
Preference dividend paid at redemption	(2,362)	-
Ordinary dividend declared(See note (c))	-	(1,204)
	153	(2,589)
Profit for the period	11,435	6,771
Translation difference	6,274	3,710
Closing balance	17,862	7,892

(a) Dividend Paid

At the AGM held on 11 April 2025, the shareholders approved the declaration and cash payment of ordinary and preference dividend for existing shareholders as at 31 December 2024. See below for details with withholding tax (WHT) included:

31 December 2024

<i>Shareholders</i>	Dividend paid at redemption date	Preference dividend \$000	Ordinary dividend \$000	Total dividend \$000
Nigeria Sovereign Investment Authority (NSIA)	-	1,528	383	1,911
Africa Finance Corporation (AFC)	1,653.45	2,009	256	3,919
InfraCo Africa Investment Limited (InfraCo)	708.60	754	71	1,534
Leadway Assurance Company Limited	-	190	75	265
AIICO Insurance Plc	-	-	111	111
Total	2,362	4,481	896	7,739

24 Unsecured subordinated long term loans

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Unsecured subordinated long-term loan at amortised cost		
Opening	86,775	71,557
Additions (see (i) below)	-	14,860
Accrued Interest	5,417	4,254
Interest repayment	(5,741)	(4,025)
Effect of movement in exchange rate	(529)	129
Closing balance	85,922	86,775
Current	5,417	4,254
Non-current	80,505	82,521
	85,922	86,775

(i) In addition to the USD 26 million, USD 35 million, and USD 10 million unsecured subordinated loans KfW provided in 2019 and 2018 and AfDB in 2020 at simple interest rates of 5.25%, 6%, and 4.07% respectively, African Development Bank (AfDB) advanced an unsecured subordinated 10-year loan of USD 15 million at a 7.21% simple interest rate of 4.07% in 2024. Included in the additions is an amount of USD 140.2 thousand transaction cost on the loan.

25 Translation reserves

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

(b) Movement in translation reserves

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
At the beginning of the year	12,806	5,574
Cash and cash equivalent 29(t)	(7,055)	3,958
Investment securities 29(a)	8,269	4,582
Financial guarantee liability 29(b)	503	(8,895)
Trade and other receivables 29(c)	(65)	236
Prepayments 29(q)	(11)	(102)
Guarantee fee receivable 29(d)	(429)	3,514
Other liabilities 29(e)	214	(913)
Employee benefit obligation 29(r)	65	(151)
Unsecured Subordinated Capital 29(m)	(529)	129
Property and equipment 29(j)	8	114
Right-of-use asset 29(l)	(11)	64
Intangible asset 29(k)	(7)	(52)
Deferred tax asset 29(n)	(36)	157
Lease liability 29(o)	3	(44)
Current tax liability 29(p)	85	(249)
Retained earnings 23	6,274	(3,710)
Share capital	(1,402)	8,072
Share premium	644	522
	6,520	7,232
At the end of the period	19,326	12,806

Other information - Supplementary financial information

26 Related parties transactions

(a) Related parties

Related parties of the comprise the holding company, associates, directors and key management personnel and their close family members. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Infrastructure Guarantee Company Plc.

(i) Parent and ultimate controlling party

Until 20 December 2018, the parent and ultimate controlling party of the Company was Nigeria Sovereign Investment Authority (NSIA). Thereafter, the Company is owned by NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited, Leadway Assurance Company Limited, AIICO Insurance PLC, Access ARM Pension, Cardinalstone, FCMB Pensions, NUPEMCO, Crusader Sterling Pension, VG Pensions, NLPC PFA, FUNDSCO and other shareholders (See Note 9 of Directors' Report for details of shareholdings).

(ii) Transactions with related party

Expenses resulting from transactions with related parties are as follows:

In thousands of Dollars	31 December 2025	31 December 2024
Directors allowances to non executive directors	338	371
Salaries and other short-term employee benefits to key management personnels	168	159
Key management comprise of the Managing Director and the Chief Operating Officer.		

In December 2025, the Company appointed an employee of a shareholder that holds 11.5% of the Company's shares and has a board representative, as an unpaid, non-voting consultant to the New Business and Credit Committee. This shareholder is considered a related-party because it has significant influence over the Company. Although the consultant will receive no fees and has no voting or membership rights, the appointment involves the provision of advisory services. Under IAS 24, this will be treated as a related-party transaction because the services will be provided by an individual connected to a related-party shareholder.

No payments will be made in connection with the appointment, and there was no outstanding balances at the end of the reporting period. The Company will apply appropriate confidentiality and insider trading controls in managing the arrangement.

27 Contingent liabilities, litigations and claims

There were no claim against the Company as at 31 December 2025 (2024:Nil) in respect of the issued guarantees.
There was no litigation against the Company as at 31 December 2025 (2024: Nil).

28 Events after reporting date

There are no other events after the reporting date which could have a material effect on the financial position of the Company as at 31 December 2025 and the financial performance for the period ended on that date that have not been adequately provided for or disclosed in the interim financial statements.

29 Statement of cash flow notes

Notes

(a) Purchase and redemption of investment securities

In thousands of Dollars	31 December 2025	31 December 2024
At the beginning of the year	166,474	165,248
Interest Income (See note 3)	19,426	14,510
Gain on disposal of financial assets	1,465	-
Effect of movement in exchange rate	(8,269)	(4,582)
Impairment loss on investment securities (see note 4)	382	(719)
Closing balance	10	(116,349)
Cash outflow/(inflow)	63,129	7,983

Cash inflow/(outflow)

Interest received (note(a(i)))	(19,426)	(10,501)
Purchase of Investment securities	16,420	2,518
Proceeds from sale/maturity/redemption of investment securities	(60,123)	-
Total	(63,129)	(7,983)

(ai) Interest received

In thousands of Dollars	31 December 2025	31 December 2024
Interest receivable on investment securities beginning of the year	-	-
Interest income (see note 3)	19,426	14,510
Interest receivable on investment securities	-	(3,512)
Effect of movement in exchange rate	-	(497)
Cash inflow	19,426	10,501

(b) Changes in financial guarantee liability

In thousands of Dollars	31 December 2025	31 December 2024
At the beginning of the year	6,643	10,891
Net movement (cash outflow)	2,845	(49)
Effect of movement in exchange rate	503	(4,199)
At the end of the year	9,991	6,643

(c) Changes in trade and other receivables

In thousands of Dollars	31 December 2025	31 December 2024
At the beginning of the year	1,250	639
Impairment loss on other assets (see note 4)	(502)	(310)
Net movement (cash outflow)	957	1,157
Effect of movement in exchange rate	65	(236)
At the end of the period	12	1,250

(d) Changes in guarantee fee receivable

In thousands of Dollars	31 December 2025	31 December 2024
At the beginning of the year	5,662	9,114
Net movement (cash inflow)	2,364	62
Effect of movement in exchange rate	429	(3,514)
At the end of the period	11	5,662

Other information - Supplementary financial information

(e) Changes in other liabilities			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
Balance at the beginning of the year	2,557	2,367	
Dividend payable	-	1,204	
Net movement (cash inflow)	(1,038)	(101)	
Withholding tax payable	20	-	
Effect of movement in exchange rate	214	(913)	
At the end of the period	19	1,753	
(f) Movement in ordinary share capital			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year (see note 22)	17,920	12,130	
Net movement (net inflow)	7,289	5,790	
At the end of the period	22a	25,209	
(g) Movement in irredeemable preference shares			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
Irredeemable preference shares at the beginning of the year (see note 22(b))	22,250	22,250	
Net movement (net inflow) Dividend capitalisation	-	-	
At the end of the period	22b	22,250	
(h) Movement in redeemable preference shares			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year (see note 22(c))	59,466	59,466	
Redemption of redeemable preference shares	(49,911)	-	
At the end of the period	22c	9,555	
(i) Gain on disposal of property and equipment			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
Cost (see note 14)	-	-	
Accumulated depreciation (see note 14)	-	-	
Net book value	-	-	
Sales proceed	-	-	
Gain on disposal of property and equipment	-	-	
(j) Movement in property and equipment			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	272	296	
Depreciation	(117)	(71)	
Additions	267	161	
Effect of movement in exchange rate	(8)	(114)	
At the end of the period	14	414	
(k) Movement in intangible asset			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	80	135	
Amortisation	(2)	(7)	
Additions	105	4	
Reclassification	-	-	
Effect of movement in exchange rate	7	(52)	
At the end of the period	16	190	
(l) Movement in Right-of-Use Asset			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	179	136	
Charge for the period	(38)	(21)	
Additions	-	-	
Reclassification	-	-	
Effect of movement in exchange rate	11	64	
At the end of the period	15	152	
(m) Movement in Unsecured Subordinated Capital			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	86,775	71,557	
Addition	-	14,860	
Interest expenses (see note 3)(b))	5,417	4,254	
Repayment (see note 24)	(5,741)	(4,025)	
Effect of movement in exchange rate	(529)	129	
At the end of the period	24	85,922	
(n) Movement in Deferred Tax Asset			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	312	400	
Addition	203	69	
Effect of movement in exchange rate	36	(157)	
At the end of the period	18	551	
(o) Movement in Lease Liability			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	42	128	
Additions to lease liabilities	-	102	
Payment	-	(154)	
Unwinding of discount (see note 3b)	12	11	
Effect of movement in exchange rate	3	(44)	
At the end of the period	21	57	

Other information - Supplementary financial information

(p) Movement in Current Tax Liability			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	575	630	
<i>Charge for the year see note 8(a):</i>			
Minimum tax	-	-	
Current tax	1,241	535	
Net movement (cash outflow)	(520)	(341)	
Effect of movement in exchange rate	85	(249)	
At the end of the period	8(c)	1,381	
8(c)			
(q) Changes in prepayments			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	223	259	
Net movement (cash outflow)	(128)	66	
Effect of movement in exchange rate	11	(102)	
At the end of the period	13	106	
13			
(r) Movement in employee benefit			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	915	540	
Accrual	1,121	426	
Net movement (cash outflow)	(862)	(231)	
Effect of movement in exchange rate	65	64	
At the end of the period	20	1239	
20			
(s) Movement in retained earnings			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year	7,892	8,129	
Preference dividend paid	(4,481)	(9,205)	
Ordinary dividend paid	(896)	(309)	
Dividend paid as at redemption of preference shares	(2,362)	-	
Dividend payable	-	(1,204)	
Profit for the year	11,435	6,771	
Effect of movement in exchange rate	6,274	3,710	
At the end of the period	23	17,862	
23			
(t) Effect of movement in exchange rates on cash held			
<i>In thousands of Dollars</i>			
	31 December 2025	31 December 2024	
At the beginning of the year - Translation reserves	25(b)	12,806	5,574
Investment securities	29(a)	8,269	4,582
Financial guarantee liability	29(b)	503	(8,895)
Trade and other receivables	29(c)	(65)	236
Prepayments	29(q)	(11)	(102)
Guarantee fee receivable	29(d)	(429)	3,514
Other liabilities	29(e)	214	(913)
Employee benefit obligation	29(r)	65	(151)
Unsecured Subordinated Capital	29(m)	(529)	129
Property and equipment	29(j)	8	114
Right-of-use asset	29(i)	(11)	64
Intangible asset	29(k)	(7)	(52)
Deferred tax asset	29(n)	(36)	157
Lease liability	29(o)	3	(44)
Current tax liability	29(p)	85	(249)
Retained earnings	23	6,274	3,710
Share capital		(1,402)	8,072
Share premium		644	522
At the end of the year - Translation reserves	25(b)	(19,326)	(12,806)
Effect of movement in exchange rates on cash held		7,055	3,462
7,055			

30 Financial risk management

(a) Introduction

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

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

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

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

(b) Risk management objectives

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

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

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

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

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

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

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

Other information - Supplementary financial information

(c) Risk management framework

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

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

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

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

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

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

Risk type	Description	Loss characteristics
Market risk	The risk of loss due to unfavourable movements in the prices of assets.	This could result in loss of value to the Company's investment portfolio.
Credit risk	The risk of loss arising from counterparty's inability or unwillingness to fulfil contractual obligations to the Company.	This could result in impairment in the Company's credit assets and could invariably
Liquidity risk	The risk that the Company will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption or could hinder normal operations of the Company.

(d) Valuation of financial instruments

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

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques based on significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

(i) Market risk

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

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

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

Interest rate risk:

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

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

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

31 December 2025		Interest bearing instruments					Non-interest bearing instruments
		Carrying amount	Less than 3 months	3 months - 6 months	6 months - 1 year	Over 1 year	
<i>Assets</i>							
Cash and cash equivalents	9	45,892	45,892	-	-	-	-
Investment securities	10	116,349	-	24,212	8,686	83,451	-
Guarantee fee receivable	11	8,455	232	507	2,352	5,364	-
Trade and other receivables	12	1,759	-	-	-	-	1,759
		172,455	46,123	24,719	11,038	88,815	1,759
<i>Liabilities</i>							
Financial guarantee liability	17	9,991	-	-	-	-	9,991
Other liabilities	19(a)	1,753	-	-	-	-	1,753
Lease liability	21	57	-	-	-	57	-
Unsecured subordinated long term loan	24	85,922	1,237	1,291	2,391	81,003	-
		97,723	1,237	1,291	2,391	81,060	11,744
Total interest re-pricing gap		74,732	44,886	23,429	8,647	7,755	(9,985)

Other information - Supplementary financial information

31 December 2024			Interest bearing instruments				Non-interest bearing instruments
<i>In thousands of Dollars</i>	Note	Carrying amount	Less than 3 months	3 months - 6 months	6 months - 1 period	Over 1 period	instruments
Assets							
Cash and cash equivalents	9	25,187	25,187	-	-	-	-
Investment securities	10	166,474	-	15,012	28,621	122,841	-
Guarantee fee receivable	11	5,662	322	259	562	4,519	-
Trade and other receivables	12	1,245	-	-	-	-	1,245
		198,568	25,509	15,271	29,183	127,360	1,245
Liabilities							
Financial guarantee liability	17	6,643	-	-	-	-	-
Other liabilities	19(a)	19	-	-	-	-	19
Lease liability	21	42	-	-	-	42	-
Unsecured subordinated long term loan	24	86,775	1,180	1,206	3,542	80,847	-
		93,479	1,180	1,206	3,542	80,889	19
Total interest re-pricing gap		105,089	24,329	14,065	25,641	46,471	1,226

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

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Profit or loss & equity		
Increase	1,526	2,098
Decrease	(1,526)	(2,098)

(ii) Credit risk

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

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

Management of credit risk

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

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

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

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

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

<i>In thousand of Dollars</i>	Note	31 December 2025	31 December 2024
Cash and cash equivalents	9	45,892	25,187
Investment securities	10	116,349	166,474
Guarantee fee receivable	11	8,455	5,662
Trade and other receivables	12	1,759	1,245
Total exposure to credit risk		172,455	198,568

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

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

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

As noted above, the Company is exposed to credit risk in relation to financial guarantees given to customers which are companies engaged in infrastructure development. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantees are called on. As at 31 December 2025, there was nil expected credit losses (2024: nil).

Other information - Supplementary financial information

Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial guarantee contracts. Below shows the nature and value of collaterals held as securities for the guarantee contracts issued as at 31 December 2025:

In thousands of dollars	31 December 2025	31 December 2024
Sector		
Power	32,634	15,316
Transport	49,191	42,225
ICT Telecommunication	20,977	18,201
Healthcare	21,969	19,871
Green Housing	8,347	7,087
Gas to power	28,920	(80)
Gas to Clean Cooking	9,361	8,184
Logistics	195,187	181,497
Manufacturing	366,294	80,189
Renewable Energy	47,220	39,346
	780,101	411,835

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its investment securities.

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

Overview of the Company's exposure to credit risk

As at 31 December 2025, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from:

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

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

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

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

Overview of the Company's exposure to credit risk - Continued

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

31 December 2025	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount (i)
Cash and cash equivalents	9	AAA - CCC *	Performing	12-month ECL	46,011	(119)	45,892
Investment securities	10	A1 - AAA*	Performing	12-month ECL	118,449	(2,100)	116,349
Guarantee fee receivables	11	A - BBB+ *	Performing	12-month ECL	8,455	-	8,455
Trade and other receivables	12	A - BBB+ *	Performing	12-month ECL	2,771	(1,012)	1,759
Total exposure to credit risk					175,686	(3,231)	172,455

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

*Assigned by Fitch, Agosto and GCR

Other information - Supplementary financial information

Incorporation of forward-looking information

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

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

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

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

Source: Fitch Solutions

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

Scenarios	Probability of Default	
	2025	2024
Best Case	38.46%	33.33%
Base Case	29.49%	27.50%
Worst Case	32.05%	29.17%

Measurement of expected credit losses (ECLs)

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

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

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

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

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

Concentration of credit risk

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

Concentration by Sector

<i>In thousands of Dollars</i>	<i>Rating</i>	<i>Location</i>	Cash Equivalents		Investment Securities	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
<i>Financial Institutions</i>						
Stanbic IBTC Bank PLC	AAA */AAA**	Nigeria	8,489	10,720	16,464	15,012
Access Bank Plc	Aa */B-***	Nigeria	37,210	14,304	-	2,145
United Bank for Africa Plc	Aa- */AA+**/B-***	Nigeria	0	-	-	-
Ecobank Nigeria Limited	BB**/CCC***	Nigeria	1	1	-	-
Guaranty Trust Bank	B-***	Nigeria	147	94	-	-
Standard Chartered Bank	A+ ***	Nigeria	49	45	-	-
			45,895	25,164	16,464	17,157
<i>Sovereign/ Government</i>						
Federal Government of Nigeria	B- ***	Nigeria	-	-	101,982	150,894
Total					118,446	168,051

Concentration by product

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Bank balances	1,706	4,620
Placement with banks	44,186	20,594
Treasury bills	-	2,145
Eurobonds	113,447	15,012
FGN bonds	2,903	150,894
Total	162,241	193,265

* Assigned by Agosto

** Assigned by GCR

*** Assigned by Fitch

Concentration by region

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Nigeria	162,241	193,265
Total	162,241	193,265

Other information - Supplementary financial information

Guarantee fee receivables at amortised cost
In thousands of dollars

Concentration by sector	Internal rating	External rating	31 December 2025	31 December 2024
Power	BBB - BBB-	BBB **	1,486	599
Transport	BB+ - BBB+		1,609	497
ICT Telecommunication	BBB- - BBB	BBB**	304	399
Healthcare	BBB+	BBB**	269	401
Green Housing	BBB		51	101
Gas to power	BBB	BBB**	1,772	343
Gas to Clean Cooking	BBB		116	220
Logistics	BBB - A-	BBB*	2,176	2,342
Manufacturing	A-	A-*	303	451
Renewable Energy	BBB- - A-	AA**	370	309
			8,455	5,662

* Assigned by Agosto

** Assigned by GCR

*** Assigned by Fitch

The external rating is not applicable to some clients/institutions in the listed sectors

Concentration by region

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Nigeria	8,455	5,662
	8,455	5,662

Financial guarantee contracts (off balance sheet)

As at 31 December 2025, the Company had issued the Guarantees below

In thousands of Dollars

Sector	Guaranteed amount	Outstanding balance December 2025	Outstanding balance	*Amount due within 12 Months	*Amount due over 12 months
			December 2024		
Off-Grid Power	40,740	38,738	28,874	13,656	25,081
Renewable Energy	13,535	11,563	7,290	3,394	8,169
Transportation	56,947	51,534	20,953	12,380	39,154
Logistics	39,425	39,337	35,035	484	38,853
ICT/Telecoms	7,608	6,738	6,833	1,160	5,578
Gas-to-Power	25,944	24,188	12,537	2,041	22,147
Gas-to-Clean Cooking	14,931	14,897	8,715	1,337	13,559
Manufacturing	13,890	11,690	12,374	2,546	9,144
Healthcare	6,945	6,366	6,456	1,157	5,209
Green Housing	3,820	2,604	3,310	955	1,649
	223,785	207,656	142,376	39,112	168,543

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

In December 2025, InfraCredit issued a Contingent Refinancing Guarantee ("CRG") for USD118 million to a company in the Power sector. Thus the Company recorded USD184 Million in total guarantees as at the end of 2025, comprising USD67 Million in direct guarantees and USD118 Million in CRG.

Loss allowance by financial instrument

<i>In thousands of Dollars</i>	Note	31 December 2025	31 December 2024
Cash and cash equivalent	9	119	27
Investment securities at amortised cost	10	2,100	1,577
Trade and other receivables	12	1,012	447
		3,231	2,051

(A) Analysis of movement in loss allowance

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

<i>In thousands of Dollars</i>	Trade and other receivables 12-month ECL	Guarantee fee receivable 12-month ECL	Cash Equivalents 12-month ECL	Investment Securities 12-month ECL	Total
As at 1 January 2024	240	-	147	1,437	1,826
New financial assets originated or purchased	310	-	164	2,156	2,630
Financial assets that have been derecognised	(240)	-	(147)	(1,437)	(1,824)
Impairment loss/(write back) for the period (see note 4)	310	-	17	719	806
Effect of movement in exchange rate	(103)	-	-	(579)	(682)
As at 31 December 2024	447	-	27	1,577	1,950
New financial assets originated or purchased	949	-	111	1,959	3,020
Financial assets that have been derecognised	(447)	-	(27)	(1,577)	(2,051)
Impairment loss for the period (see note 4)	502	-	84	382	969
Effect of movement in exchange rate	63	-	-	141	203
As at 31 December 2025	1,012	-	119	2,100	3,122

Other information - Supplementary financial information

- (i) For financial guarantee contract, the gross carrying amount represents the maximum amount the Company has guaranteed under the contract. No impairment allowance was recognised in the profit or loss (2024: Nil).
- (ii) For trade receivables, the Company has estimated impairment based on loss rates, days past due and applying experienced credit judgement. The estimation resulted in an impairment loss of USD 502 thousand (2024: USD 310 thousand) which has been recognised in profit or loss.
- (iii) The loss allowance of USD 382 thousand (2024: USD 719 thousand) on investment securities measured at amortised cost is determined based on the credit ratings of the institutions in which the securities are held and is recognised in profit or loss.
- (iv) The loss allowance of USD 84 thousand (2024:17) on cash and cash equivalents is determined based on the credit ratings of the institutions in which the cash are held and is recognised in profit or loss.

(iii) Liquidity risk

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

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

Management of liquidity risk

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

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

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

Residual contractual maturities of financial assets

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

31 December 2025

<i>In thousands of Dollars</i>	Note	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash equivalents	9	45,892	46,011	46,011	-	-	-
Investment securities	10	116,349	194,079	3,620	16,621	33,711	140,127
Guarantee fee receivable	11	8,455	8,455	346	278	604	7,226
Trade and other receivables	12	1,759	2,771	2,771	-	-	-
		172,455	251,316	52,748	16,899	34,316	147,354
Financial guarantee liability	17	9,991	9,991	468	535	1,049	7,939
Other liabilities	19(a)	646	646	646	-	-	-
Lease liability	21	57	57	-	-	23	34
Unsecured subordinated long term loan	24	85,922	89,645	685	-	5,620	83,340
Gap (assets-liabilities)		75,839	150,977	50,948	16,364	27,623	56,041
Cumulative liquidity gap				50,948	67,312	94,936	150,977

31 December 2024

<i>In thousands of Dollars</i>	Note	Carrying amount	Gross nominal	Less than 3 months	3 months to 6 months	6 months to 12 months	Over 12 months
Cash and cash equivalents	9	25,187	25,214	25,214	-	-	-
Investment securities	10	166,474	180,413	3,365	15,450	31,338	130,260
Guarantee fee receivable	11	5,662	5,662	322	259	561	4,520
Trade and other receivables	12	1,245	1,692	1,692	-	-	-
		198,568	212,981	30,592	15,709	31,899	134,780
Financial guarantee liability	17	6,643	6,643	435	497	975	4,735
Other liabilities	19(a)	473	473	473	-	-	-
Lease liability	21	42	42	-	-	22	20
Unsecured subordinated long term loan	24	86,775	89,645	637	-	5,224	83,784
Gap (assets-liabilities)		104,635	116,178	29,047	15,212	25,678	46,241
Cumulative liquidity gap				29,047	44,259	69,937	116,178

Other information - Supplementary financial information

(iv) Operational risk

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

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

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

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

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

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

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

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

(v) Capital management

The strategy for assessing and managing the impact of the business plans on both core and contingent capital forms an integral part of the Company's strategic plan. The fundamental driver in determining capital adequacy for a credit guarantor is the sufficiency of capital to cover the expected losses on the portfolio given an assumed worst case expected loss scenario with adequate consideration given to the leverage levels and the ability of the Company to access its capital - both the invested qualifying capital and if necessary the unfunded contingent capital facility to make payment for losses under a financial guarantee. The strategy and approach to capital management is to operate with a conservative policy which is centred around ensuring that the capital structure of the Company is resilient and able to absorb losses and recapitalize from internal cashflows without external fundings. As at 31 December, 2025, the Company met all capital requirements imposed by Securities and Exchange Commission (SEC).

Qualifying capital is defined as:

- The aggregate of fully paid-in equity, plus
- Subordinated capital, and
- Callable capital

"Notional amount guaranteed" means an amount equal to:

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

Capital management

<i>In thousands of Dollars</i>	31 December 2025	31 December 2024
Qualifying capital		
Share capital	25,209	17,920
Cumulative irredeemable preference capital	22,250	22,250
Cumulative redeemable preference capital	9,556	59,467
Share premium	17,435	7,409
Prep-paid Capital Reserves	550	-
Retained earnings	17,862	7,892
Translation reserves	(19,326)	(12,806)
Qualifying capital	73,536	102,132
Notional amount guaranteed		
Amount guaranteed	207,656	142,375
Re-guarantee (USAID)	(41,936)	(41,696)
Accrued interest	2,504	2,747
Credit risk mitigant/reserve account	(9,861)	(7,726)
Notional amount guaranteed	158,363	95,700
Gross core capital leverage ratio	2.86	1.42
Net qualifying Capital leverage ratio	2.15	0.94

Other information - Supplementary financial information

31 Category of financial instruments and fair values

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

31 December 2025

<i>In thousands of Dollars</i>	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)	Fair value
Cash and cash equivalents	9	45,892	45,892	-	45,892
Investment securities	10	116,349	116,349	-	169,771
Guarantee fee receivable	11	8,455	8,455	-	8,455
Trade and other receivables	12	1,759	1,759	-	1,759
Total financial assets		172,455	172,455	-	225,877
Unsecured subordinated long term loan	24	85,922	-	85,922	85,922
Financial guarantee liability	17	9,991	-	9,991	9,991
Other liabilities	19(a)	646	-	646	646
Total financial liabilities		96,559	-	96,559	96,559

31 December 2024

<i>In thousands of Dollars</i>	Note	Carrying amount	Amortised Cost	Other financial liabilities (amortised cost)	Fair value
Cash and cash equivalents	9	25,187	25,187	-	25,187
Investment securities	10	166,474	166,474	-	169,771
Guarantee fee receivable	11	5,662	5,662	-	5,662
Trade and other receivables	12	1,245	1,245	-	1,245
Total financial assets		198,568	198,568	-	201,865
Unsecured subordinated long term loan	24	86,775	-	86,775	86,775
Financial guarantee liability	17	6,643	-	6,643	6,643
Other liabilities	19(a)	473	-	473	473
Total financial liabilities		93,891	-	93,891	93,891

32 Contravention of laws and regulations

The Company contravened certain laws and regulations during the year. Details of the contravention and the related penalty is as follows:

In thousands of Dollars	31 December 2025
Penalty paid on stamp duty to Federal Inland Revenue Services	58
During the year, the Federal Inland Revenue Service (FIRS) conducted a tax audit of the Company, which resulted in the payment of a penalty amounting to USD58 thousand.	