

**FSDH Asset Management Limited**  
**Annual Report**  
**for the year ended 31 December 2024**

**FSDH Asset Management Limited**  
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**for the year ended 31st December 2024**

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## DIRECTORS' REPORT -FSDH ASSET MANAGEMENT LIMITED

The Directors of FSDH Asset Management Limited ("the Company") present their Report on the affairs of the Company together with the Audited Financial Statements and Independent Auditor's Report for the year ended 31 December 2024.

### Legal Form

The Company was incorporated on 8 November 2001 as a private limited liability company under the Companies and Allied Matters Act 2020 as a private limited liability company. The Company's registered office is UAC House (4<sup>th</sup> – 6<sup>th</sup> Floors), 1/5, Odunlami Street, Lagos Island, Lagos.

The Company is a subsidiary of FSDH Holding Company Limited, which holds 99.7% of the paid-up shares of the Company.

### Principal Activities and Business Review

The principal activity of the Company is the provision of investment management services. Individuals and institutional investors are serviced primarily through a number of independent and collective schemes.

### Operating results

Highlights of the financial performance is as follows:

	Year 2024 N'000	Year 2023 N'000
Profit before taxation	1,754,625	1,154,183
Income tax	(570,225)	(20,462)
Profit after taxation	1,184,400	1,133,721
Other comprehensive (loss)/income	11,518	44,287
Total comprehensive income for the year	1,195,918	1,178,008
Earnings per share -basic (in kobo)	44	42
Total Assets Under Management	192,381,253	110,512,404

### Proposed Dividend

The Board of Directors recommends a dividend of 1 kobo per share, amounting to a total of ₦27 million in respect of and out of the Company's profit after tax for the year ended 31st December 2024, subject to the deduction of the appropriate withholding tax.

## Shared Services Agreement

For the year ended 31 December 2024, the Company had a shared service agreement with FSDH Merchant Bank Limited, a related party through common shareholding. The services being provided by FSDH Merchant Bank Limited under the agreement include information technology, Brand Marketing & Communication, Compliance, risk management, human resources functions, internal audit, and administration.

## Shareholding Analysis

The shareholding pattern of the Company as at 31<sup>st</sup> December 2024 is stated below:

	2024		2023	
	No. of shares	% Holding	No. of shares	% Holding
FSDH Holding Company Limited	2,691,900,000	99.7	2,691,900,000	99.7
Mr. Rilwan Belo-Osagie	8,100,00	0.3	8,100,00	0.3
Total	2,700,000,000	100	2,700,000,000	100

## Directors

The Directors of the Company who held office during the year were as follows.

NAME	POSITION	Year of appointment
<b>Mrs. Folashade Laoye</b>	Independent Director/Chairman	12 <sup>th</sup> December 2019
<b>Mr. Toyin Owolabi</b>	Managing Director	6 <sup>th</sup> May 2022
<b>Mrs. Folasade Ogunde*</b>	Independent Director	5 <sup>th</sup> December 2016
<b>Mr. Kelechi Okoro</b>	Non-Executive Director	1 <sup>st</sup> January 2018
<b>Ms. Yasmin Belo-Osagie</b>	Non-Executive Director	1 <sup>st</sup> January 2018
<b>Ms. Wambui Kinya</b>	Independent Director	20 <sup>th</sup> April 2021
<b>Mrs. Bukola Smith</b>	Non-Executive Director	2 <sup>nd</sup> July 2021
<b>Ms. Nike Ogunjimi</b>	Non-Executive Director	6 <sup>th</sup> May 2022

\*Retired from the Board effective 31<sup>st</sup> December 2024.

## Directors Shareholding

No director had a direct interest in the Company's shares (December 2023: nil).

## Directors' Interest in Contracts

In compliance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, none of the directors had an interest in contracts with the Company during the year.

**Post Balance Sheet Events**

No post-balance sheet events could have a material effect on the Company's state of affairs as of 31 December 2024, and the statement of comprehensive income on that date has not been adequately provided for.

**Property and equipment**

Information relating to changes in the property and equipment of the company is disclosed in Notes 22 to the financial statements. In the Directors' opinion, the market value of the Company's property and equipment is not less than the value shown in the financial statements.

**Donations and charitable gifts**

No contributions to charitable and non-political organisations were made during the year (December 2023: nil).

**Employment of Physically Challenged Persons**

The Company is an equal opportunity employer committed to diversity, equity, and inclusion in the workplace. It provides fair and unbiased employment opportunities to all qualified individuals, including persons with special needs, in accordance with applicable laws and best practices. The Company fosters a work environment that promotes inclusivity and ensures that recruitment, career advancement, and other employment decisions are based on merit.

While the Company remains open to hiring individuals with special needs and has policies in place to support their inclusion, there were no employees with special needs during the period under review.

**Health, safety and welfare of employees**

The Company maintains robust health and safety policies and procedures, ensuring a safe and secure work environment. Employees are well-informed about these policies, which are consistently enforced. Additionally, the Company provides comprehensive insurance coverage for employees against occupational and other workplace hazards.

To further support employee well-being, the Company offers medical facilities for employees and their immediate families at its expense. In addition to regular health insurance coverage, the Company has a mental wellness program that provides confidential support to employees, ensuring they have access to professional mental health resources at the Company's expense.

Employee engagement and motivation are fostered through performance-based bonus payments and participation in the Staff Cooperative Scheme, which promotes financial empowerment and collective growth.

**Gender Equality In Employment**

The Company is an equal-opportunity employer committed to upholding the principles of equality, diversity, and inclusion in all employment decisions. It fosters a workplace culture that values merit, fairness, and respect for all employees, regardless of gender or background. As of the reporting period, the Company's workforce comprised **54%** male and **46%** female representation, reflecting its commitment to gender diversity.

### **Employee consultation and training**

The Company is committed to ensuring employees are well-informed about its performance, progress, and strategic direction. It has established effective communication channels to engage employees and, where practicable, seeks their input on matters that directly impact them. This approach fosters a culture of transparency, inclusivity, and collaboration within the organization.

As part of its commitment to continuous learning and professional development, the Company collaborates with Seamless HR, providing employees with access to a robust online, self-paced learning platform. Additionally, the Company periodically engages external professionals to train employees on topical industry issues and organizes internal training sessions to enhance employees' knowledge across different aspects of the business.

### **Internal Audit**

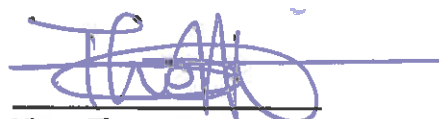
The Company's Internal audit team diligently executed its responsibilities throughout the year, ensuring robust internal controls and risk management. The team reported directly to the Board Audit and Risk Committee at least once every quarter, providing independent assessments of the Company's financial and operational processes. All Internal audit activities were conducted in strict compliance with Principle 18 of the Nigerian Code of Corporate Governance, reinforcing transparency, accountability, and corporate integrity.

### **Auditors**

The Auditors, Messrs. KPMG Professional Services, reappointed as the Company's auditors during the year, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be reappointed at the next Annual General Meeting of the Company without any resolution being passed.

UAC House (4<sup>th</sup> – 6<sup>th</sup> Floors)  
1/5 Odunlami Street  
Lagos Island,  
Lagos  
21st March 2025

**BY ORDER OF THE BOARD**



**Victor Thompson**  
**Company Secretary**  
**FRC/2023/PRO/NBA/002/281828**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

This statement, which should be read in conjunction with the auditor's report, is made to set out for shareholders the responsibilities of the Company's Directors with respect to the financial statements.

In accordance with the provisions of the Companies and Allied Matters Act (CAMA), the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss for the financial year.

The responsibilities include ensuring that:

- a. the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, (CAMA), 2020.
- b. appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities.
- c. the Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- d. It is appropriate for the financial statements to be prepared on a going concern basis.


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

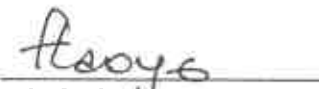
- i. IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)
- ii. Companies and Allied Matters Act, ("CAMA") 2020.
- iii. Financial Report Council of Nigeria (Amendment) Act, 2023

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal control.

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

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

  
**Oluwatoyin Owolabi**  
Managing Director  
FRC/2021/003/00000025150  
21st March 2025

  
**Folashade Laoye**  
Chairperson  
FRC/2014/ICAN/00000006163  
21st March 2025

## **STATEMENT OF CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> DECEMBER 2024**


In compliance with section 405 of CAMA 2020, the Chief Executive Officer and the Chief Financial Officer of FSDH Asset Management Limited, have reviewed the audited financial statements and certify as follows -.

- i. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statement was made.
- ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for the periods covered by the audited financial statements.
- iii. The company has put in place effective internal controls to ensure the material information relating to the control environment are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
- iv. The company's Internal Controls are effective as at 31st December 2024.

We have disclosed as follows to the audit committee and external auditors that –

- i. There were 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. Furthermore, no material weaknesses were identified in the company's Internal Control systems.
- ii. There were no fraud events involving management or other employees who have a significant role in the company's internal control.
- iii. There were no significant changes in internal controls or in other factors that could significantly affect the adequacy and effectiveness of the controls subsequent to the date of the evaluation.
- iv. The Company's Internal Controls are effective as at 31<sup>st</sup> December 2024

  
**Oluwatoyin Owolabi**  
Managing Director  
FRC/2021/003/00000025150  
20th March 2025

  
**Funmilayo Oletubo**  
Chief Financial Officer  
FRC/2021/PRO/ICAN/001/00000022428  
20th March 2025

## REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee of FSDH Asset Management Limited hereby report as follows:

- We acknowledge the cooperation of management and staff in the conduct of the audit responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed on ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforced the Company's internal control systems.
- We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.



**Mrs. Bukola Smith**

**Ag Chairperson, Board Audit and Risk Committee**

FRC/2015/ICAN/00000011192

21st March 2025

Members of the Board Audit and Risk Committee are:

1. \*Mrs. Folashade Ogunde - Chairperson
2. Mrs. Bukola Smith
3. Mr. Kelechi Okoro

\*Retired from the Board effective 31<sup>st</sup> December 2024.

## **CORPORATE GOVERNANCE REPORT AS AT 31<sup>ST</sup> DECEMBER 2024**

The Board of Directors of FSDH Asset Management Limited is pleased to report that during the year ended 31<sup>st</sup> December 2024, the Company complied with the extant corporate governance code. The Company's governance structures comply with the best standards and practices in corporate governance. They are predicated on compliance with the Company's Code of Conduct, the Nigerian Code of Corporate Governance, the Memorandum and Articles of Association of the Company, the Companies and Allied Matters Act, the Companies Regulation, and International Corporate Governance best practices.

The Report below highlights how the Company continued to improve its corporate governance practices and complied with regulations during the year under review.

### **BOARD OF DIRECTORS**

The Board of Directors comprises members from different industries with a good blend of skills, experience, and in-depth industry knowledge. The Board is responsible for the overall supervision of the Company and takes appropriate action to protect the interest of the shareholders and other stakeholders.

The Board is responsible for providing entrepreneurial leadership for the Company within a prudent and effective control framework. It sets out the strategic direction, objectives, values and standards of the Company. It ensures that the necessary financial, material and human resources are in place for the Company to meet its objectives and periodically review Management's performance. The Board meets every quarter and as frequently as exigencies may demand and on notice from the Chairman.

The Board is responsible for the following:

- Reviewing and providing guidance for the Company's corporate and business strategy, major plans of action, and risk policy.
- The review and approval of annual budgets and business plans; setting performance objectives, monitoring implementation, and corporate performance.
- Overseeing major capital expenditures, acquisitions, and divestitures.
- Monitoring the effectiveness of the governance practices under which the Company operates and making appropriate changes as necessary.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the internal audit functions, and that appropriate control and risk monitoring systems are in place.
- Establishing the various Committees of the Board, including their Terms of Reference, and reviewing reports of such Committees to address key areas of the Company's business.
- Reviewing and approving recruitments to senior roles.
- Maintaining a conducive corporate organizational climate and industrial harmony.

The daily operational Management of the Company is delegated to the Managing Director/CEO, who is able to sub-delegate any of his powers and discretions. The Managing Director/CEO is responsible to the Board.

## **Board Composition**

There were eight Directors, comprising four Non-Executive Directors (NED), three Independent Non-Executive Directors (INED), and one Executive Director. The Executive Director is the Managing Director. All Directors are distinguished by their professional ability, integrity, and independence of opinion.

## **RE-ELECTION OF DIRECTORS**

### **i. Re-Election of Directors**

In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020, the following Directors retiring by rotation and being eligible are presenting themselves for re-election:

- a. Mrs. Bukola Smith
- b. Ms. Wambui Kinya

## **BOARD COMMITTEES**

The Board carries out its oversight functions through its various Board Committees. This makes for efficiency and allows the Board to focus on specific matters. The Committees are set up in line with the Nigerian Code of Corporate Governance, 2018:

The Committees have clear Terms of Reference and Charters defining their scope of responsibilities in such a way as to avoid overlap of functions. The Board Committees meet quarterly but may hold extraordinary sessions as exigencies demand.

There are four (4) standing Committees of the Board, namely:

- a) Board Investment Committee;
- b) Board Governance and Nominations Committee;
- c) Board Technology Committee; and
- d) Board Audit and Risk Committee.

### **A. Board Investment Committee**

The purpose of the Board Investment Committee (“BIC”) is to assist the Board in its strategy and oversight responsibilities relating to the investment of all funds managed by the company on behalf of third parties. The Board authorised the BIC to set investment policy for the Company and provide oversight in the operation of its investment portfolios within established policies, guidelines and risk frameworks.

The membership of the Committee is as follows:

Mr. Kelechi Okoro	Chairman
Mrs. Bukola Smith	Member
Mrs. Nike Ogunjimi	Member
Mr. Toyin Owolabi	Member

## MEETINGS OF THE BOARD INVESTMENTS COMMITTEE

The Committee met four (4) times in 2024 as follows:

Meeting Dates	18/04	23/07	15/10	12/12	% Attendance
Names					
Mr. Kelechi Okoro	✓	✓	✓	✓	100%
Mrs. Bukola Smith	✓	✓	✓	✓	80%
Mrs. Nike Ogunjimi	✓	✓	✓	✓	100%
Mr. Toyin Owolabi	✓	✓	✓	✓	100%

### B. Board Governance and Nominations Committee

The primary purpose of the Committee is to oversee governance matters within the Company. Specifically, the Committee will advise the Board with respect to the nomination, remuneration and evaluation of Directors. It will also be responsible for monitoring the Company's human resource policies and practices.

The membership of the Committee is as follows:

Ms. Yasmin Belo-Osagie	Chairperson
Mrs. Folasade Ogunde	Member
Ms. Wambui Kinya	Member
Mrs. Nike Ogunjimi	Member

## MEETINGS OF THE BOARD GOVERNANCE AND NOMINATIONS COMMITTEE

The Committee met five (5) times in 2024 as follows:

Meeting Dates	04/03	19/04	22/07	15/10	13/12	% Attendance
Names						
Ms. Yasmin Belo-Osagie	✓	✓	✓	✓	✓	100%
Mrs. Folasade Ogunde	✓	✓	✓	✓	✓	100%
Mrs. Nike Ogunjimi	✓	x	✓	✓	✓	80%
Ms. Wambui Kinya	✓	✓	✓	✓	✓	100%

### C. Board Technology Committee

The primary purpose of the Board Technology Committee ("Tech Committee") is to oversee technology within the Company. Specifically, the Tech Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the overall role of technology in executing the business strategy of FSDH Asset Management, including, but not limited to, major technology investment, technology strategy, operational performance, information security and technology trends that may affect FSDH Asset Management's client portfolio and/or affairs in general.

The membership of the Committee is as follows:

Ms. Wambui Kinya	Chairperson
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Ms. Yasmin Belo-Osagie                      Member

**MEETINGS OF THE TECHNOLOGY COMMITTEE**

The Committee met four (4) times in 2024 as follows:

Meeting Dates	19/01	08/04	22/07	14/10	% Attendance
Names					
Ms. Wambui Kinya	✓	✓	✓	✓	100%
Ms. Yasmin Belo-Osagie	✓	✓	✓	✓	100%

**D. Board Audit and Risk Committee**

The purpose of the Board Audit and Risk Committee (the “BARC”) is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, the company's process for monitoring compliance with laws and regulations and the code of conduct. The BARC is also responsible for the overall risk assessment of various areas of the Company’s operations, performance, and risk management systems to ensure effective risk management through appropriate control systems.

The membership of the Committee is as follows:

Mrs. Folasade Ogunde              Chairperson  
Mr. Kelechi Okoro                      Member  
Mrs. Bukola Smith                      Member

**MEETINGS OF THE BOARD AUDIT AND RISK COMMITTEE**

The Committee met five (5) times in 2024 as follows:

Meeting Dates	13/03	17/04	17/07	23/10	13/12	% Attendance
Names						
Mrs. Folasade Ogunde	✓	✓	✓	✓	✓	100%
Mr. Kelechi Okoro	x	✓	✓	✓	✓	80%
Mrs. Bukola Smith	✓	x	✓	✓	✓	100%

## MEETINGS OF THE BOARD OF DIRECTORS

The Board met Five (5) times in 2024 as follows:

Meeting Dates	20/03	26/04	26/07	25/10	18/12	% Attendance
Names						
Mrs. Folashade Laoye	✓	✓	✓	✓	✓	100%
Mrs. Folasade Ogunde	✓	✓	✓	✓	✓	100%
Mr. Kelechi Okoro	x	✓	✓	✓	✓	80%
Ms. Wambui Kinya	✓	✓	✓	✓	✓	100%
Mrs. Bukola Smith	✓	✓	✓	✓	✓	100%
Mr. Toyin Owolabi	✓	✓	✓	✓	✓	100%
Mr. Nike Ogunjimi	✓	x	✓	✓	✓	80%
Ms. Yasmin Belo-Osagie	✓	✓	✓	✓	✓	100%

## MANAGEMENT COMMITTEE

The Management Committee comprises the Company's Senior Management and is responsible for identifying, analyzing, and making recommendations on risks arising from day-to-day activities and investment decisions. They meet monthly or as frequently as the need arises.

## RELATIONSHIP WITH SHAREHOLDERS

The Board approved the Company's Stakeholder Management, Engagement & Communication Policy. The Policy recognises the importance of its stakeholders, acknowledges their right to be informed about the Company's activities, and allows the stakeholders to communicate with the Board and Management effectively. It also recognises the benefits of its stakeholders' input on the overall strategy of its business, governance, and operations and is committed to a proactive, open, and transparent engagement process with internal and external stakeholders. In addition to the Annual Report and Accounts and the annual general meeting, the Company maintains an up-to-date website that provides information on a wide range of issues for all stakeholders and other communication channels with Management.

## COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

The Board has an approved Code of Conduct and Ethics Policy, which requires the Company's employees, directors, and stakeholders to operate in a manner that is consistent with the Company's corporate responsibility.

The Code contains extensive provisions on the use of confidential information, conflict of interest, fraud, bribery, corruption, facilitation payment, insider trading, anti-discrimination, harassment, use of company assets, social media usage, compliance with laws and regulations, relations with third parties, money laundering and other matters stipulated in the NCCG.

The Code of Ethics has been adequately communicated to all employees and each employee is required to read and execute same. Its implementation is adequately monitored.

## **WHISTLE BLOWING**

The Company's Whistle Blowing Policy mandates staff members to timely disclose any oral or illegitimate practices, including suspicious activities, that may adversely affect the Company and/or its stakeholders. The Company has a window for anonymous disclosures under this policy via the dedicated portal and email (<https://tip-offs.deloitte.com.ng/>, [tip-offs@deloitte.com.ng](mailto:tip-offs@deloitte.com.ng) ) and other channels that employees choose to communicate.

## **REMUNERATION POLICY**

The Company's remuneration Policy defines how it combines the various remuneration components to enhance its Value Proposition, enabling it to attract, retain and motivate the calibre of Directors and employees that will help drive superior business results. The Policy shall also reflect global best practices in aligning the interest of the shareholders and Managers of the business. The Governance Committee/Board periodically review the Policy to ensure it reflects changes and developments in the market.

## **BOARD COMPENSATION**

### **Non-Executive Directors**

In line with the NCCG, Non-Executive Directors receive fixed annual fees for their services to the Board and Board Committee. There are no contractual arrangements for compensation for loss of office. Non-Executive Directors do not receive short-term incentives or participate in any long-term incentive schemes.

### **Remuneration for Executive Director**

Remuneration for the Executive Director is performance-driven and restricted to base salaries, allowances, and performance bonuses. Executive Directors are not entitled to sitting allowances.

## **BOARD SELECTION AND APPOINTMENT PROCESS**

The process for selection and appointment of new directors by the Company is clearly outlined in the approved Board Selection, Orientation, and Training Policy (the "BSOTP") which complies with the provisions of the Companies and Allied Matters Act, The Nigerian Code of Corporate Governance, and the Company's Articles of Association. The highlight of the process as outlined in the BSOTP is stated as follows:

### **1. Prior Analysis**

- 1.1 The Board and the Board Governance and Nominations Committee ("BGNC") determine the number of Directors at any time, provided that the number of Directors shall not be less than five (5) and not more than ten (10) in compliance with relevant Guidelines and the Company's Articles of Association.
- 1.2 The Board and the BGNC ensure that the Board is at all times of sufficient size to effectively undertake and fulfil its business; to oversee, monitor, direct, and control the Company's activities relative to the scale and complexity of the Company's operations and reach of the business.
- 1.3 The BGNC receives nomination of candidates from the shareholders or Management.

**2. Nomination and Reviews**

The BGNC reviews the qualification of the nominees based on the identified gaps or needs, consider the existence of any potential conflicts of interest, ensures that Nominees are fit and proper persons and are not ineligible for appointment by virtue of being disqualified from being Directors.

**3. Appointment, ratification, or re-election of Directors**

Nominees who scale through the BGNC's review are presented to the Board. The Board considers and approve Nominee(s) for nomination as directors to fill casual vacancies subject to the ratification of the Shareholders at an AGM, or for Shareholders to consider and vote upon at the Annual General Meeting, as applicable.

**4. Approval of appointment by regulators**

The Board shall require the prior approval of the SEC before the ratification of the appointment of a director or outright appointment by the shareholders is proposed at an AGM.

**5. Issuance of letter of appointment**

Upon the appointment of a Nominee to fill a casual vacancy, the Company Secretary shall forward the approved Nominee(s) a notice of appointment to the Board and subsequently, upon approval of the SEC and ratification of the appointment by shareholders at AGM, a formal letter of appointment or contract of employment, specifying the terms and conditions of appointment or employment as well as other accompanying documents.

**6. Director induction**

The Company Secretary and Management coordinate an induction/orientation session for the newly appointed Director(s) which they must attend before attending their first Board meeting.

**DIRECTORS TRAINING**

The Company Secretary and Management are responsible for arranging and facilitating periodic or annual training and development programmes for the members of the Board. Every director is expected to attend and actively participate in the programmes: During the year under review, the directors attended the following training:

1. Board training on Risk Management
2. Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF)/Regulatory and Compliance Risk Management.
3. Enhancing Board's oversight of Cybersecurity and Digital Risk Management For Competitive Advantage

## **SUMMARY STATEMENT ON BOARD EVALUATION 2024**

The Corporate Governance Framework and Board Performance Review for the year ended 31 December 2024 was conducted internally by the Company Secretary, in line with Principle 14.1 of the Nigerian Code of Corporate Governance (NCCG) 2018. This follows previous external assessments facilitated by Deloitte & Touche for the 2021 and 2022 financial years.

The NCCG mandates companies to conduct annual evaluations of their corporate governance practices to ensure that governance standards, practices, and processes remain adequate and effective. The scope of the 2023 review included:

- **Assessment of the Board's Structure, Mandate & Performance, Including Board Committees and Management.**
- **Evaluation of the Board's Strategic Role** in shaping the Company's overall direction.
- **Stakeholder Engagement, Disclosures & Transparency.**
- **Review of Board Papers, Minutes, Policies & Practices.**
- **Feedback from Board & Senior Management** through structured questionnaires.

The evaluation confirmed that the Board and its governance framework comply with the NCCG's provisions regarding structure, procedures, and responsibilities. It also highlighted that:

- The Board and Board Committees functioned effectively, fulfilling their responsibilities under the NCCG and governance charters of FSDH Asset Management Limited.
- Board and Committee Chairpersons met their obligations, ensuring sound governance practices.

The review findings and recommendations have been documented in a detailed report submitted to the Board. For comprehensive insights, this report should be read alongside the Corporate Governance section of FSDH Asset Management Limited's Board Evaluation Report and Annual Report for 2024.



Thompson Victor  
Company Secretary  
FRC/2023/PRO/NBA/002/281828  
21 March 2025

**FSDH Asset Management Limited**

**Statement of Compliance with Code of Corporate Governance for the Year Ended 31 December 2024**

This statement is being presented in compliance with principle 28.5 of the Nigerian Code of Corporate Governance for the purpose of confirming the level of application of the Nigerian Code of Corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter.
2. The Board established the requisite Board Committee to provide support to the Board and the Committees met at least once every quarter.
3. The Board Charter and Terms of Reference of the Board Committees have been formed and advised to the Committees for compliance.
4. The Board has established a sound internal conch system which is effectively implemented at all levels within the company.
5. The Company's financial statements were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
6. The Company has complied with all the corporate and financial reporting requirements of the Code.
7. We confirm that all other material principles contained in the Code have been complied with. Furthermore, the result of the Board evaluation and governance review showed that the corporate governance framework and Board substantially complied with the Nigerian Codes of Corporate Governance provisions in terms of its structure, procedures and responsibilities. The report also showed that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters of the Company.



**Oluwatoyin Owolabi**  
Managing Director  
FRC/2021/003/00000025150  
21st March 2025



**Folashade Laoye**  
Chairman  
FRC/2014/ICAN/00000006163  
21st March 2025

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

I, Toyin Owolabi, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of FSDH Asset Management Limited (“the Company”)
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits 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, 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 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 or 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.

**Name:** Toyin Owolabi

**Designation:** Chief Executive Officer

**FRC No:** FRC/2021/003/00000025150

**Signature:** 

**Date:** 21 March 2025

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

I, Funmilayo Oletubo, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of FSDH Asset Management Limited ("the Company")
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits 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, 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 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 or 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.

**Name:** Funmilayo Oletubo

**Designation:** Chief Financial Officer

**FRC No:** FRC/2021/PRO/ICAN/001/00000022428

**Signature:** \_\_\_\_\_



**Date:** 21 March 2025

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

The management of FSDH Asset Management Limited (“the Company”) is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council (Amendment) Act, 2023.

The management of FSDH Asset Management Limited assessed the effectiveness of the internal control over financial reporting of the Company as of 31 December 2024 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 Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2024, the management of FSDH Asset Management Limited did not identify any material weakness in its assessment of internal control over financial reporting.

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

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



Toyin Owolabi

MD/CEO

FRC/2021/003/00000025150

21 March 2025



Funmilayo Oletubo

CFO

FRC/2021/PRO/ICAN/001/00000022428

21 March 2025



**KPMG Professional Services**

KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMG 40014, Falomo  
Lagos

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## **Independent Auditor’s Limited Assurance Report**

To the Shareholders of FSDH Asset Management Limited

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

#### **Conclusion**

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

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

#### **Basis for conclusion**

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

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

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

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



### **Other matter**

We have audited the financial statements of FSDH Asset Management Limited in accordance with the International Standards on Auditing, and our report dated 31 March 2025 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

### **Responsibilities for Internal Control over Financial reporting**

The Board of Directors of FSDH Asset Management Limited is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on 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.

*Awotoye*

Awotoye O. Oluwafemi  
FRC/2013/ICAN/00000001182  
For: KPMG Professional Services  
Chartered Accountants  
31 March 2025  
Lagos, Nigeria



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FSDH Asset Management Limited

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of FSDH Asset Management Limited (“the Company”), which comprise:

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

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

#### **Basis for Opinion**

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

#### **Other Information**

The Directors are responsible for the other information. The other information comprises the Directors' report, Statement of directors' responsibilities, Statement of corporate responsibility, Report of the audit committee, Corporate governance report as at 31 December 2024, Summary statement on Board evaluation 2024, Statement of compliance with code of corporate governance for the year ended 31 December 2024, Certification pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting, Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 and Other national disclosures, but does not include the financial statements and our auditor's report thereon.

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

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

### ***Responsibilities of the Directors for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

We communicate with the Board Audit and Risk 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.

## **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 comprehensive income are in agreement with the books of account.

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

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

Signed:



Oluwafemi O. Awotoye, FCA  
FRC/2013/ICAN/00000001182  
For: KPMG Professional Services  
Chartered Accountants  
31 March 2025  
Lagos, Nigeria



## FSDH Asset Management Limited

### Annual Report for the year ended 31 December 2024

STATEMENT OF COMPREHENSIVE INCOME For the year ended	Note	31 December 2024 N '000	31 December 2023 N '000
<b>Income</b>			
Fees and commissions	5	654,041	425,095
Net gain on held for trading financial instruments	6	225,871	330,311
Interest income on financial assets at amortised cost	7(a)	3,224	3,745
Interest income on financial assets FVOCI	7(b)	104,569	200,551
Intermediation income	8	1,550,275	452,205
Other income	9	1,424,382	1,143,466
<b>Total income</b>		<b>3,962,362</b>	<b>2,555,372</b>
<b>Expenses</b>			
Interest expense	10	(115,436)	(289,886)
Impairment charge for credit losses	11	(390,941)	2,898
Operating expenses	12	(1,701,360)	(1,114,201)
<b>Profit before tax</b>		<b>1,754,625</b>	<b>1,154,183</b>
Minimum Tax	13	-	(7,779)
Income tax	13	(570,225)	(12,682)
<b>Profit for the year</b>		<b>1,184,400</b>	<b>1,133,722</b>
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit and loss</b>			
Net (loss)/gain on FVOCI financial assets (debts instruments)			
- Unrealised net (loss)/gain arising during the period		11,518	44,287
- Net reclassification adjustments for realised loss		-	-
Net changes in impairment allowance on FVOCI financial assets		-	-
<b>Other comprehensive loss</b>		<b>11,518</b>	<b>44,287</b>
<b>Total comprehensive income for the year</b>		<b>1,195,918</b>	<b>1,178,009</b>
Earnings per share per profit attributable to equity holders			
Earnings/(Loss) per share form continuing operations -			
basic/diluted (kobo)	29	44	42

**FSDH Asset Management Limited**  
**Annual Report**  
**for the year ended 31 December 2024**

**STATEMENT OF FINANCIAL POSITION**

As at

	Note	31 December 2024 N '000	31 December 2023 N '000
<b>ASSETS</b>			
Cash and cash equivalents	14	1,127,598	1,080,878
Financial instruments measured through profit or loss	15	1,681,230	1,004,204
Loans and advances to employees at amortised costs	16	19,029	4,450
Investment securities	17	785,705	869,478
Right-of-use assets	18	9,544	4,371
Other assets	19	288,176	220,172
Intangible assets	20	6,044	12,386
Property and equipment	21	126,798	69,645
<b>Total assets</b>		<b>4,044,124</b>	<b>3,245,583</b>
<b>LIABILITIES</b>			
Current income tax liability	13	451,436	205,622
Other liabilities	22	566,954	1,477,521
Deferred tax liability	18	271,154	8,719
Lease liabilities	18	10,696	5,755
<b>Total liabilities</b>		<b>1,300,240</b>	<b>1,697,617</b>
<b>EQUITY</b>			
Share capital	23	2,700,000	2,700,000
Retained earnings	24	85,853	(1,098,547)
FVOCI reserve	24	(41,969)	(53,487)
<b>Total equity</b>		<b>2,743,884</b>	<b>1,547,966</b>
<b>Total equity and liabilities</b>		<b>4,044,124</b>	<b>3,245,584</b>

The accompanying notes are an integral part of the financial statements

The Financial statements were approved by the Board of Director on 21 March 2025 and signed on its behalf by:

.....  


Folashade Laoye - Chairman  
FRC/2014/CAN/00000006163

.....  


Oluwatoyin Owolabi - Managing Director  
FRC/2021/003/00000025150

Additional Certification:

.....  


Funmilayo Oletubo - Chief Financial Officer  
FRC/2021/PRO/CAN/001/00000022428

## FSDH Asset Management Limited

### Annual Report

for the year ended 31 December 2024

#### STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders			Total N'000
	Share capital N'000	Retained earnings N'000	FVOCI reserve N'000	
<b>At 1 January 2023</b>	2,700,000	(2,232,268)	(97,774)	369,958
<i>Comprehensive income</i>				
Profit for the year	-	1,133,721	-	1,133,721
Net gain on FVOCI	-	-	44,287	44,287
Total comprehensive income or loss	-	1,133,721	44,287	1,178,008
Transactions with owners:				
Dividend paid	-	-	-	-
<b>At 31 December 2023</b>	<b>2,700,000</b>	<b>(1,098,547)</b>	<b>(53,487)</b>	<b>1,547,966</b>
<b>At 1 January 2024</b>	2,700,000	(1,098,547)	(53,487)	1,547,966
<i>Comprehensive income</i>				
Profit for the year	-	1,184,400	-	1,184,400
Net gain on FVOCI	-	-	11,518	11,518
Total comprehensive income or loss	-	1,184,400	11,518	1,195,918
Transactions with owners:				
Dividend paid	-	-	-	-
<b>At 31 December 2024</b>	<b>2,700,000</b>	<b>85,853</b>	<b>(41,969)</b>	<b>2,743,884</b>

The accompanying notes are an integral part of the financial statements

**FSDH Asset Management Limited**  
**Annual Report**  
**for the year ended 31 December 2024**

<b>STATEMENT OF CASHFLOWS</b>	<b>Note</b>	<b>31 December</b>	<b>31 December</b>
<b>For the year ended</b>		<b>2024</b>	<b>2023</b>
		<b>N '000</b>	<b>N '000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	26	951,448	1,448,791
Income taxes paid	13(iii)	(61,975)	(27,308)
		<b>889,473</b>	<b>1,421,483</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities	33(e)	(15,610)	(1,450)
Disposal of investment securities	33(e)	-	699,940
Acquisition of intangible assets - software	21	-	(1,775)
Acquisition of property, plant and equipment	22	(98,219)	(59,767)
Interest received	33(e)	151,641	349,851
Dividend received	33(b)	27,897	9,798
		<b>65,709</b>	<b>996,597</b>
Net cash generated from investing activities		<b>65,709</b>	<b>996,597</b>
<b>Cash flows from financing activities</b>			
Principal element of lease payment	19(ii)	(4,603)	(2,938)
Principal repayment of Short Term Note	23(i)	(1,105,000)	(2,123,192)
Interest paid	23(i)	(198,151)	(263,259)
		<b>(1,307,754)</b>	<b>(2,389,389)</b>
Net cash used in financing activities		<b>(1,307,754)</b>	<b>(2,389,389)</b>
(Decrease)/Increase in cash and cash equivalents		<b>(352,572)</b>	<b>28,691</b>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at start of year		1,060,878	635,150
Exchange difference on cash held	33(f)	419,292	397,037
(Decrease)/Increase in cash and cash equivalents		(352,572)	28,691
Cash and cash equivalents at end of year	27	<b>1,127,598</b>	<b>1,060,878</b>

The accompanying notes are an integral part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

FSDH Asset Management Limited ("the Company") was incorporated on 8 November, 2001 as a private limited liability company under the Companies and Allied Matters Act 1990.

The principal activity of the Company is the provision of investment management services. Individuals and institutional investors are serviced primarily through a number of segregated portfolios and collective investment schemes.

The Company is a subsidiary of FSDH Holding Company Limited, which owns 99.7% of the Company's share capital. FSDH Holding Company Limited is a non-operating legal entity domiciled in Nigeria, and regulated by the Central Bank of Nigeria as an "other financial institution".

### 2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

These financial statements are the financial statements of FSDH Asset Management Limited ("the Company"). The financial statements for the year 2024 have been prepared 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 Financial Reporting Council of Nigeria (Amendment) Act, 2023. Additional information required by national regulations is included where appropriate. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets measured at fair value.

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

#### a. Functional and presentation currency

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

#### b. Basis of measurement

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

- Financial assets measured at fair value through other comprehensive income (FVOCI).
- Financial assets held for trading measured at fair value through profit or loss (FVTPL).
- Assets and liabilities measured at amortised cost.

#### c. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

- i. impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- ii. determination of the fair value of financial instruments with unobservable inputs where applicable.

## 2.2 Standards and interpretations not effective as at 31st December 2024

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Company are set out below:

### • **Presentation and Disclosure in Financial Statements (IFRS 18)**

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.
- Enhance 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.

IFRS 18 is effective from 1 January 2027 and applies retrospectively, it is available for early adoption. The Company has not assessed the impact of IFRS 18. The IFRS Accounting Standards will be adopted in the period that they become mandatory unless otherwise indicated.

### • Other accounting standards

The following are newly accounting standard not expected to have significant impact on the Company's financial statements.

Lack of Exchangeability (Amendments to IAS 21).

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

## 2.3 Foreign currency translation

### (a) **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency "which is the Naira" ). The financial statements are presented in thousands (Naira), which is the Company's functional and presentation currency.

### (b) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Translation differences on non-monetary financial assets and liabilities (such as equities) which are held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value through OCI (FVOCI) are included in Other Comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in the income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities measured at fair value through OCI (FVOCI) are recognized in other comprehensive income.

## 2.4 Revenue recognition

Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the

The following are the income lines of the Company and how income is recognised:

- Fees and commission: This relates to fee earned on funds managed by the Company. These includes management and scheme administrative fees earned on various mutual funds and portfolios. The fees are recognised based on the applicable service contracts at a point in time.

- **Incentive fees:** These are performance-linked fees. The fee is earned only when certain agreed performances are met and/or exceeded. The fees are recognised when the performance criteria are fulfilled. These classes of fees are regarded as incentive fees and they are earned at a point in time.

- **Intermediation fees:** represents profit margins earned on segregated managed portfolios, i.e. arbitrage income and differences between earnings from the asset and what is paid as liabilities.

## 2.5 Financial assets and liabilities

### Measurement methods

#### Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

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

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

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

#### Amortised cost and effective interest rate

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

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

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

#### Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

### Financial assets

#### Classification and subsequent measurement

The Company applies IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

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

#### Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

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

#### a) Financial assets measured at amortised cost

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

#### **b) Financial assets measured at FVOCI**

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

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

#### **c) Financial assets measured at FVTPL**

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

#### **Equity Instruments**

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

The Company subsequently measures all equity investments at fair value through profit or loss, except where management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in the income statement as other income when the Company's right to receive payments is established.

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

#### **Business model assessment**

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

#### **SPPI Test**

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

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

#### **Derecognition other than on a modification**

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

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

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

## 2.6 Financial liabilities

### Classification and measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

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

### Derecognition of financial liabilities

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

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

## 2.7 Fair value measurement

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

A number of the Company's accounting policies and disclosures require the measurements of fair values for both the financial and non-financial assets and liabilities.

When one is 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 maximise the use of relevant observable inputs and minimise 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.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given 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 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.

## 2.8 Impairment

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

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

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

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

### Significant increase in credit risk (SICR)

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

- identifying the rating classification at initial recognition i.e. investment grade or speculative grade
- comparing the initial rating as at initial recognition with the current rating
- four notches downward movement in a twenty-five notches scale is considered significant
- for loans initially recognized as investment grade, a drop to speculative grade is considered significant
- for corporate debt issue, two notches downgrade of the issuer rating is considered significant
- for all facilities an upward reclassification of rating to the rating captured at its initial recognition or higher is considered a significant reduction in credit risk and a probationary period of 90 days is triggered.

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

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due. The number of days past due is determined by counting the number of days since the date the full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

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

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

#### Qualitative criteria:

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

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

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

## **Backstop**

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

### ***Definition of default and credit-impaired assets***

The Company defines default as the failure of counterparties to meet the financial and legal obligations including a deviation from the conditions associated with the transaction.

Credit risk default arises from the failure of an obligor of the Company to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk).

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

#### ***Quantitative criteria***

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

#### ***Qualitative criteria***

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Company. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding. In assessing whether a borrower is in default, the Company considers indicators that are:
  - qualitative – e.g. breaches of covenant;
  - quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Company; and
  - based on data developed internally and obtained from external sources. Inputs into the assessment of whether a financial instrument is in default and the significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Company for regulatory capital purposes.

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

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

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

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

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

The factors the Company has considered are as shown below:

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

\*The criteria adopted by the Company are consistent with that of the FSDH Group. The FSDH Group has considered the Central Bank of Nigeria prudential guidelines guidance on objective criteria for identifying credit loss classification as a more appropriate criteria.

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

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

#### Forward-looking information incorporated in the ECL models

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

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Company's Economics team on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g. for unemployment) or a long run average growth rate (e.g. GDP) over a period of two to five years.

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

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

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

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

#### **ESTIMATION OF MULTI-YEAR EXPOSURE AT DEFAULT**

Exposure at Default (EAD) is an estimate of the Company's exposure to its counterparty at the time of default. This estimation (EAD) relates to payment terms, tenure of exposure and the point in time at which default is expected, or actually occurs. For defaulted accounts, the Company uses the principal amount outstanding and the accrued interest at the point of default as the EAD.

Prepayment is primarily an option to borrower to make bulk payment (full or partial) for the availed facility ahead of its scheduled time. The model has the capacity to compute prepayment rate per sector using prepayment historical data.

#### **EAD ESTIMATION FOR CERTAIN EXPOSURE FACILITIES**

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

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

#### **ESTIMATION OF MULTI-YEAR LOSS GIVEN DEFAULT**

##### **Definition of LGD Parameters**

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

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

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

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

##### **Measuring ECL – Explanation of inputs, assumptions and estimation techniques**

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

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

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

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

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

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

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

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

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

**Qualitative Criteria**

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

CREDIT RATING	DESCRIPTION	INVESTMENT DECISION	
AAA	Exceptional Credit Quality	Investment Grade	
AA+	Very High Credit Quality		
AA			
AA-			
A+			
A	High Credit Quality		
A-	Good Asset Quality		
BBB+			
BBB			
BBB-	Satisfactory Asset Quality		Speculative Grade
BB+			
BB			
BB-			
B+		Asset Quality with limited capacity	
B			
B-			
CCC+		Asset Quality with signs of deterioration	
CCC			
CCC-			
CC+	Asset Quality with probability of partial loss		
CC			
CC-			
C+			
C	Default	Default Grade	

**The Top-Down Approach**

The impact of macro-economic variables on non-performance is determined by the model and applied on ECL level. Factors considered include:

- Gross Domestic Product (GDP) growth rate
- Inflation rate
- Foreign exchange rate

## **PROBABILITY-WEIGHTED ECL COMPUTATION**

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

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

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

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

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

### **2.9 Write-off**

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

### **2.10 Offsetting financial instruments**

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

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

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

### **2.11 Borrowing costs**

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

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

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

### **2.12 Dividend income**

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

### **2.13 Impairment of non-financial assets**

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

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

### **2.14 Leases**

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost.

## Lease liabilities

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

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

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

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

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

## 2.15 Cash and cash equivalents

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

## 2.16 Property and equipment

### (i) Initial Recognition and measurement

Property and equipment are initially stated at cost, subsequently they are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

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

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

### (iii) Depreciation

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

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

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

Leasehold improvements over the shorter of the useful life of the item or lease term. Land is not depreciated.

-Computer equipment	-	33%
-Office Furniture and fittings	-	12.5% - 25%
-Motor vehicles	-	25%
-Work in progress	-	0%

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

### (iii) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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.

## 2.17 Intangible assets

The Company's intangible asset represents the application software purchased for its operations and financial reporting. Intangible assets are initially recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful life, generally not exceeding 3 - 5 years. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Company have a definite useful life. At each date of the statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

The Company chooses to use the cost model for the measurement after initial recognition.

Amortisation is calculated on a straight line basis over the useful lives as follows:

Computer Software: 3 years.

## 2.18 Income tax

### (a) Current income tax

Income tax payable is calculated on the basis of the tax law in Nigeria and is recognised as an expense (income) for the period except to the extent that the current tax relates to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

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

### (b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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, revaluation of certain financial assets and liabilities, provisions for gratuity and carry-forwards. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

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

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

## 2.19 Employee benefits

The Company operates short-term employment benefits schemes in the form of pension costs, gratuity benefits and defined contribution plan.

### (a) Pension costs

The Company operates a defined contribution scheme in line with the subsisting Pension Act where employees are entitled to join the scheme on confirmation of their employment. The employee and the Company contribute 8% and 10% respectively of the employee's basic salary, transport and rent allowances. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### (b) Post-employment defined contribution plan

The Company in addition to its defined contribution scheme under the Pension Reform Act 2014, also sponsors a post-employment plan under it a percentage of employees' basic salary to a fund manager in favour of the employees. The amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by the Company to the post-employment benefit plan, together with investment returns arising from the contributions. Thus, actuarial risk (that benefits will be less than expected) and investment risk fall on the employee.

### (c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the 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.

## **2.20 Provisions, contingent liabilities and assets**

Provisions are liabilities that are uncertain in amount and timing. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

## **2.21 Share capital**

### **(a) Share issue costs**

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

### **(b) Dividends on ordinary shares**

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

## **2.22 Earnings per share**

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

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

## **2.23 Comparatives**

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

## **2.24 Rounding of amounts**

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

## FSDH Asset Management Limited

### Annual Report

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### NOTES TO THE FINANCIAL STATEMENTS

#### 3. Enterprise Risk Management Review

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

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

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

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

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

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

- The Company insists on a robust risk management governance structure that enables it to manage all major aspects of its activities through an integrated planning and review process that includes strategic, financial, customer and risk planning.
- Our Board and Senior Management insists on and promotes a strong culture of adherence to limits in managing risk exposure.
- Risk management in the Company is governed by formally documented and defined policies and procedures, which are clearly communicated to all.
- The Company avoids products, businesses and markets that it does not fully understand or for which management cannot reasonably and objectively measure and manage the associated risks.
- The Company strives to maintain a balance between risk/opportunity and revenue consideration with its risk appetite. Thus, risk-related issues are considered in all our business decisions.
- The Company creates and evaluates business units and enterprise risk profiles to consider what is best for its individual units and the Company as a whole.
- The Company's risk officers are empowered to perform their duties professionally and independently within clearly defined authorities.
- Staff are encouraged to disclose inherent risks and actual losses openly, fully, honestly and quickly.
- The Company creates a process for institutionalising the lessons learned from risk events and penalises negligent recurrence.
- The Company has zero tolerance for breach of laws and regulations.
- The Company has zero appetite for associating with disreputable individuals and organisations.

The Company's risk management objectives are as follows:

- To identify material risks and ensure that business plans are consistent with the Company's risk appetite.
- To ensure that business growth plans are properly supported by an effective and efficient risk management function.
- To manage risk profile, ensuring that specific financial deliverables remain possible under a range of possible business conditions.
- To optimise risk and return trade-off by ensuring that business units act as primary risk managers while establishing strong and independent review and challenge structures.
- To protect the Company against unexpected losses and reduce the volatility of our earnings.
- To maximise risk-adjusted opportunities, earnings potential and ultimately our stakeholder value.
- To help Management improve the control and coordination of risk-taking across the Group.
- To build a risk-smart workforce and environment that allows for innovation and responsible risk-taking by our staff while ensuring cost-effective and legitimate precautions are taken to protect the shareholders' interest.

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

The Risk Management unit of the Holding Company periodically recommends specific measures relating to these parameters to the Board for approval. The risk appetite guides in setting other parameters discussed below:

#### 3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

#### Financial instruments classification

31 December 2024	Financial Assets		Financial Liabilities
	Fair value through profit or loss	Fair value through other comprehensive income (FVOCI)	Amortised cost
<i>In thousands of Nigerian Naira</i>	Amortised cost (FVTPL)		
<b>Financial assets:</b>			
Cash and cash equivalents			
- Cash and cash equivalents	1,127,598	-	-
Loans to employees			
- Staff and sundry loans and advances	19,029	-	-
Financial assets held for trading			
- Treasury bills (Trading)	-	-	-
- FGN Bonds (Trading)	-	-	-
Investment securities			
- FGN Bonds	-	785,705	-
- Corporate Bonds	-	-	-
Financial instruments measured through profit or loss			
- Quoted equity	-	556,963	-
- Mutual funds	-	1,124,267	-
Other assets	630,334	-	-
<b>Financial liabilities:</b>			
Other liabilities	-	-	566,954
- Accrued expenses	-	-	113,665

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**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2023	Financial Assets			Financial Liabilities
	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Amortised cost
<i>In thousands of Nigerian Naira</i>				
<b>Financial assets:</b>				
Cash and cash equivalents				
- Balances with banks	1,060,878	-	-	-
Loans to employees				
Margin loans	-			
- Staff loans and advances	4,450	-	-	-
Investment securities				
- FGN Bonds	-	-	222,468	-
- Corporate Bonds	-	-	647,010	-
Financial instruments measured through profit or loss				
- Quoted equity	-	193,820	-	-
- Mutual funds	-	810,384	-	-
FGN Bonds				
Other assets	205,526	-	-	-
<b>Financial liabilities:</b>				
Other liabilities	-	-	-	1,477,521

**3.1 Market risk**

**(a) Price risk**

The Company is exposed to equity securities price risk because of investments in quoted companies shares classified as investment securities. To manage its price risk arising from investments in equity, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Company. All quoted equities held by the Company are traded on the floor of the Nigerian Exchange (NGX).

This risk is also being managed by mark-to-market assessment of the securities. This process is done by the Risk Management Unit. Daily market quotes are obtained transparently and compared with the carrying cost of the instrument, thereby computing the unrealized profit or losses. The results are presented to management daily.

**Classification of quoted equities per sector:**

	31 December 2024	December 2023
	N'000	N'000
Real Estates	17,773	22,665
Financial Institution	291,727	136,440
Production	-	26,055
Hotel and Tourism	-	8,660
Telecommunication	30,000	-
Agriculture	217,463	-
	<b>556,963</b>	<b>193,820</b>

Effect of a 10% movement in quoted prices of equity securities on profit before tax	55,696	19,382
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**Classification of unquoted equities per sector:**

	31 December 2024	December 2023
	N'000	N'000
Mutual Funds	<b>1,124,267</b>	<b>810,384</b>
Effect of a 5% movement in prices of mutual funds on profit before tax	56,213	40,519

**(b) Foreign Exchange Risk**

The Company takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows, primarily with respect to the US dollar. The Company is exposed to foreign exchange risk primarily through its investments in Eurobonds and Cash and Bank balances.

The Company has a robust risk management system that is managed by the Risk Management of the holding company. The system identifies, measures and mitigate the foreign exchange risk on its financial position and cashflows. Such mechanism includes:

Monthly mark-to-market mechanism that revalues all currency positions daily, ensuring that foreign currency positions are valued at current market price and not at cost.

A FSDH Group wide limit on the maximum volume of foreign currency denominated securities to invest in.

The Company mitigates the changes in fair value attributable to foreign-exchange rate movement by ensuring that its total exposure to foreign currency did not exceed 40% of its total shareholders' fund.

## FSDH Asset Management Limited

### Annual Report

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#### NOTES TO THE FINANCIAL STATEMENTS

Breakdown of financial assets and financial liabilities by currency

31 December 2024	NGN N'000	USD N'000	TOTAL N'000
<b>ASSETS</b>			
Cash and cash equivalents	34,897	78,801	113,698
Placement with banks		1,013,899	1,013,899
Financial instruments measured at fair value through profit c	1,209,418	471,925	1,681,343
Loans and advances to employees at amortised costs	19,029	-	19,029
Investment securities	-	785,704	785,704
Other assets	630,334	-	630,334
	<b>1,893,678</b>	<b>2,350,328</b>	<b>4,244,007</b>
<b>LIABILITIES</b>			
Other liabilities	566,954	-	566,954
	<b>566,954</b>	<b>-</b>	<b>566,954</b>
<b>Net Financial Position by currency</b>	<b>1,326,724</b>	<b>2,350,328</b>	<b>3,677,053</b>

31 December 2023	NGN N'000	USD N'000	TOTAL N'000
<b>ASSETS</b>			
Cash and cash equivalents	1,030,492	30,386	1,060,878
Financial instruments measured at fair value through profit c	729,210	274,994	1,004,204
Loans and advances to employees at amortised costs	4,450	-	4,450
Investment securities	417,140	452,338	869,478
Other assets	205,526	-	205,526
<b>Total</b>	<b>2,386,818</b>	<b>757,718</b>	<b>3,144,535</b>
<b>LIABILITIES</b>			
Other liabilities	1,477,521	-	1,477,521
	<b>1,477,521</b>	<b>-</b>	<b>1,477,521</b>
<b>Net Financial Position by currency</b>	<b>909,297</b>	<b>757,718</b>	<b>1,667,014</b>

#### (c) Interest rate risk

The Company is exposed to cash flow interest rate risk, which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rate risk. Fixed interest rate financial instruments expose the Company to fair value interest rate risk while variable interest rate financial instruments expose the Company to cash flow interest rate risk. The Company does not hold any variable interest bearing asset and as such is not exposed to cashflow interest rate risk. The Company's fixed interest rate financial instruments are federal government securities and commercial papers. It does not hold financial liabilities susceptible to market fluctuations. Its exposure in this is not considered.

The financial instruments held by the Company which are exposed to fair value interest rate risk are Bonds, and placements with banks.

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

As at 31 December 2024	Up to 1 month	1-3 months	3-6 months	6 - 12 months	1-5 years and above	Non interest bearing	Total
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	-	-	113,699	113,699
Loans and advances to employees at Amortised cost	-	-	-	-	19,029	-	19,029
Financial instruments measured through profit or loss	-	-	-	-	-	1,681,230	1,681,230
Investment securities	18,161	7,091	201,333	200,000	359,120	-	785,705
Other assets	-	-	-	-	-	630,334	630,334
	<b>18,161</b>	<b>7,091</b>	<b>201,333</b>	<b>200,000</b>	<b>378,149</b>	<b>2,425,263</b>	<b>3,229,997</b>
<b>Financial Liabilities</b>							
Other liabilities	-	-	-	-	-	566,954	566,954
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566,954</b>	<b>566,954</b>



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#### NOTES TO THE FINANCIAL STATEMENTS

##### 3.3.3 Credit risk exposure

##### 3.3.3.1 Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure and credit quality of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

31 December 2024							
Gross amounts in thousands of Nigerian Naira							
	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	Gross Total	Impairment
Financial assets:							
Cash and cash equivalents	-	1,127,598	-	-	-	1,127,598	-
Placement with banks	-	-	-	-	-	-	-
Financial instruments measured through OCI							
- Federal Government of Nigeria	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-	-
FVOCI	-	-	-	-	-	-	-
- Federal Government of Nigeria	-	-	-	-	-	-	-
Stage 1	363,163	-	-	-	-	363,163	3,441
- Nigerian Treasury Bills	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
- Corporate bonds	-	-	-	-	-	-	-
Stage 1	-	-	422,542	-	-	422,542	4,718
Stage 3	-	-	-	-	-	-	-
- FGN Promissory Notes	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Loans and advances to employees at amortized cost							
Amortized Cost	-	-	-	-	-	-	-
- Staff advances	-	-	-	-	-	-	-
Stage 1	-	-	25,112	-	-	25,112	1,198
Stage 3	-	-	20,017	-	-	20,017	24,902
Other assets	-	-	-	-	630,334	630,334	-
Gross Total	363,163	1,127,598	467,671	-	630,334	2,588,766	34,259

31 December 2023							
Gross amounts in thousands of Nigerian Naira							
	Aaa to Aa-	A+ to A-	Bbb+ to Bb-	Below Bb-	Unrated	Gross total	Impairment
Financial assets:							
Cash and cash equivalents	-	1,060,878	-	-	-	1,060,878	-
Placement with banks	-	-	-	-	-	-	-
Financial instruments measured through profit or loss							
FVTPL	-	-	-	-	-	-	-
- Federal Government of Nigeria	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Investment securities	-	-	-	-	-	-	-
FVOCI	-	-	-	-	-	-	-
- Federal Government of Nigeria	-	-	-	-	-	-	-
Stage 1	222,468	-	-	-	-	222,468	1,450
- Nigerian Treasury Bills	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
- Corporate bonds	-	-	-	-	-	-	-
Stage 1	-	-	647,010	-	-	647,010	2,931
Stage 3	-	-	-	-	-	-	-
- FGN Promissory Notes	-	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-	-
Loans and advances to employees at amortized cost							
Amortized Cost	-	-	-	-	-	-	-
- Staff advances	-	-	-	-	-	-	-
Stage 1	-	-	4,553	-	-	4,553	103
Stage 3	-	-	20,017	-	-	20,017	20,017
Other assets	-	-	-	-	205,526	205,526	-
Gross Total	222,468	1,060,878	671,580	-	205,526	2,160,452	24,502

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#### 3.3.3.2 Concentration of Credit Risk

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

a) Geographical sectors

The Company considers the credit exposure to geographical sectors as immaterial as a large percentage of our credit facilities are domiciled in Nigeria for all periods.

b) Industrial classification

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

#### Industry sectors

At 31 December 2024 (N'000)

	Cash and cash equivalents	Loans and advances to employees at amortised costs	Financial instruments measured through profit or loss	Investment securities	Other assets	Total
Government	-	-	-	363,163	-	363,163
Finance	1,127,598	-	-	422,542	-	1,550,140
Conglomerate	-	-	-	-	-	-
Food/ beverage	-	-	-	-	-	-
Real estate	-	-	-	-	-	-
Funds	-	-	1,124,267	-	-	1,124,267
Others	-	19,029	556,963	-	630,334	1,206,326
	<b>1,127,598</b>	<b>19,029</b>	<b>1,681,230</b>	<b>785,705</b>	<b>630,334</b>	<b>4,243,896</b>

At 31 December 2023 (N'000)

	Cash and cash equivalents	Loans and advances to employees at amortised costs	Financial instruments measured through profit or loss	Investment securities	Other assets	Total
Government	-	-	-	222,468	-	222,468
Finance	1,060,878	-	-	647,010	-	1,707,888
Conglomerate	-	-	-	-	-	-
Telecoms	-	-	-	-	-	-
Real estate	-	-	-	-	-	-
Funds	-	-	810,384	-	205,526	1,015,910
Others	-	4,450	193,820	-	-	198,270
	<b>1,060,878</b>	<b>4,450</b>	<b>1,004,204</b>	<b>869,478</b>	<b>205,526</b>	<b>3,144,535</b>

#### 3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

One of the fundamental requirement for conducting business as an asset management Company is to ensure there is sufficient head - room between inflows, investments and outflows. This is in order to be able to meet liquidity requirements.

The Company's asset allocation makes provisions for ratios that ensures that a sizeable percentage of assets are held in liquid investments such as investments in call placements to cushion the Company against liquidity risk.

Stress testing is conducted based on historical data to determine the suitability of liquidity buffers.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 31 December 2024	No contractual maturity	Less than 1 months	1-3 months	3-6 months	6 - 12 months	1-5 years and above	Total	Carrying Amount
<b>Financial Assets</b>								
Cash and cash equivalents	113,699	-	-	-	-	-	113,699	113,699
Placement with banks	-	-	1,013,899	-	-	-	1,013,899	1,013,899
Loans to employees	-	-	1,964	1,964	3,928	37,310	45,166	19,029
Financial instruments measured through profit or loss	1,681,230	-	-	-	-	-	1,681,230	1,681,230
Investment securities	-	1,771	15,633	16,562	49,586	1,225,149	1,308,702	785,705
Other assets	-	-	630,334	-	-	-	630,334	630,334
	<b>1,794,929</b>	<b>1,771</b>	<b>1,661,831</b>	<b>18,526</b>	<b>53,515</b>	<b>1,262,459</b>	<b>4,793,030</b>	<b>4,243,896</b>

As at 31 December 2024	No contractual maturity	Less than 1 month	1-3 months	3-6 months	6 - 12 months	1-5 years and above	Total	Carrying Amount
<b>Financial Liabilities</b>								
Other liabilities	566,956	-	-	-	-	-	566,954	566,954
Liquidity gap*	<b>1,227,973</b>	<b>1,771</b>	<b>1,661,831</b>	<b>18,526</b>	<b>53,515</b>	<b>1,262,459</b>	<b>4,226,076</b>	<b>3,676,942</b>

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The deficit shown in (6-12 months) category will be managed with the reinvested proceeds the \*No contractual maturity proceeds. The differential will be managed with an early disposal of investment securities post positive pricing of the instruments.

As at 31 December 2023	No contractual maturity	Less than 1 months	1-3 months	3-6 months	6 - 12 months above	1-5 years and above	Total	Carrying Amount
Financial Assets								
Cash and cash equivalents	87,009	-	973,869	-	-	-	1,060,878	1,060,878
Loans to employees	-	-	1,117	702	1,439	21,313	24,570	4,450
profit or loss	1,004,204	-	-	-	-	-	1,004,204	1,004,204
Investment securities	-	18,161	7,091	201,333	200,000	717,011	1,143,596	869,478
Other assets	-	-	205,526	-	-	-	205,526	205,526
	<b>1,091,213</b>	<b>18,161</b>	<b>1,187,603</b>	<b>202,035</b>	<b>201,439</b>	<b>738,324</b>	<b>3,438,773</b>	<b>3,144,535</b>

As at 31 December 2023	No contractual maturity	Less than 1 months	1-3 months	3-6 months	6 - 12 months above	1-5 years and above	Total	Carrying Amount
Financial Liabilities								
Other liabilities	192,303	-	200,000	200,000	787,715	97,503	1,477,521	1,477,521
<b>Liquidity gap*</b>	<b>898,910</b>	<b>18,161</b>	<b>987,603</b>	<b>2,035</b>	<b>-586,276</b>	<b>640,821</b>	<b>1,961,252</b>	<b>1,667,014</b>

#### 4 Capital risk management

The capital of the Company is represented by the shareholders fund. The shareholders' fund stood at N2.74billion as at 31 December 2024 (2023: N1.55billion)

The minimum regulatory share capital for the Company as a Funds/portfolio manager is N150million. N5million is to carry out investment adviser activities. The Company has a paid up share capital of N2.7billion. The Company's shareholders' fund is above the minimum regulatory capital of N155 million, required by the Security & Exchange Commission (SEC) for Fund/portfolio Managers and Investment advisers in Nigeria.

During the period, the Company complied with all regulatory capital requirements. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

#### 4 Fair valuation techniques and assumptions

(a) Financial instruments measured at fair value

(i) Cash, bank balances and placements

Cash and bank balances represent amounts held with other banks. The fair value of these balances is their carrying amounts.

(ii) Treasury bills and bonds

Treasury bills represent short term instruments issued by the Central bank of Nigeria. Bonds are debt instruments or contracts issued for an agreed period of time. The investor lends an amount of money to the issuer and earns interest on the investment until the maturity of the bond when the principal will be repaid. The fair value of actively traded treasury bills and bonds are determined with reference to quoted prices (unadjusted) in an active market for identical assets. Bonds whose fair value cannot be obtained from quoted sources are estimated from valuation models. Discounted cash flow model method was adopted in estimating a fair value. Expected cash flows are discounted at current market rates of similar bonds to determine the fair value. The fair values have been adjusted to compensate for the liquidity and credit risks attached to the issuers.

(iii) Equity securities

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments. The fair value of unquoted equity securities are determined based on the level of information available.

The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) from the Nigerian Stock Exchange. However, fair value of unquoted equity investments have been derived from the last OTC (over the counter) transaction and National Association of Securities Dealers (NASD).

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible. There are no transfer within fair value hierarchies during the period

(a) Financial instruments measured at fair value

**At 31 December 2024 (N'000)**

	Level 1	Level 2	Total
Corporate bonds	422,542	-	422,542
Equities	556,963	-	556,963
Mutual Funds	-	1,124,267	1,124,267
	<b>979,505</b>	<b>1,124,267</b>	<b>2,103,772</b>

**At 31 December 2023 (N'000)**

	Level 1	Level 2	Total
Federal Government of Nigeria bonds	222,468	-	222,468
Corporate bonds	647,010	-	647,010
Equities	193,820	-	193,820
Mutual Funds	-	810,384	810,384
	<b>1,063,298</b>	<b>810,384</b>	<b>1,873,681</b>

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(b) Financial instruments measured at amortised cost

##### At 31 December 2024 (N'000)

	Carrying value	Fair value
Cash and cash equivalents (Note 14)	113,699	113,699
Placement with banks (Note 14)	1,013,899	1,013,899
Loans and advances to employees at amortised costs (Note 16)	19,029	19,029
Other assets (Note 20)	630,334	630,334
	<b>1,776,961</b>	<b>1,776,961</b>
Other liabilities (Note 23)	<b>566,954</b>	<b>566,954</b>

##### At 31 December 2023 (N'000)

	Carrying value	Fair value
Cash and cash equivalents (Note 14)	1,060,878	1,060,878
Loans and advances to employees at amortised costs (Note 16)	4,450	4,450
Other assets (Note 20)	205,526	205,526
	<b>1,270,854</b>	<b>1,270,854</b>
Other liabilities (Note 23)	<b>1,477,521</b>	<b>1,477,521</b>

#### 4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

##### (a) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

##### (b) Fair value of financial instruments

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

Fair valuation techniques and assumptions

##### Bonds

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

Risk premiums are derived by 2 methods described below;

1. Apply risk spread on latest acceptable trade for the respective bonds i.e. determine the spread between the bond yield on the latest acceptable trade and the FGN bond spot rate of comparable TTM.
2. Apply risk spread at issuance i.e. determine the spread between the bond yield at issuance and the FGN bond spot rate of comparable TTM. However, where the risk spread at issuance is less than 1% (100 basis points), a base risk premium of 100 basis points is applied.

##### Equities

The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) from the Nigerian Stock Exchange.

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

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#### 5 Fees and commissions

	31 Dec 2024 N'000	31 Dec 2023 N'000
Investment management fees	654,041	425,095
	<b>654,041</b>	<b>425,095</b>

Investment management fees includes management fee, scheme administration fee and incentive fee on funds and portfolios managed by the Company.

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

Point in time fees	654,041	425,095
	<b>654,041</b>	<b>425,095</b>

#### 6 Net gains on held for trading financial instruments

	31 Dec 2024 N'000	31 Dec 2023 N'000
Equities	118,693	244,590
Bonds	(6,674)	(1,042)
Mutual funds	113,852	86,763
	<b>225,871</b>	<b>330,311</b>

#### 7 Interest income

	31 Dec 2024 N'000	31 Dec 2023 N'000
<b>7(a)</b> Interest income on financial assets at amortised cost		
- Call placement with banks	2,832	3,605
- Staff loan	392	139
	<b>3,224</b>	<b>3,745</b>
<b>7(b)</b> Fair value through other comprehensive income		
- Debt securities	104,569	200,551
	<b>104,569</b>	<b>200,551</b>

#### 8 Intermediation income

Intermediation income (see i below)	1,550,275	452,205
	<b>1,550,275</b>	<b>452,205</b>

- (i) This account includes income derived from intermediation N1.18 billion (2023: N278 million), brokerage N202 million (2023: N55 million), and spread activities N169 million (2023: N119 million). The income is recognized at the point in time when earned.

#### 9 Other income

	31 Dec 2024 N'000	31 Dec 2023 N'000
Dividend income	37,455	8,353
Unrealised gain on foreign currency translation	926,215	846,686
Withholding tax recovered	-	-
Realized foreign exchange gain	447,747	214,195
Others	12,965	74,232
	<b>1,424,382</b>	<b>1,143,466</b>

#### 10 Interest expense

	31 Dec 2024 N'000	31 Dec 2023 N'000
Interest expense on borrowings	115,436	289,374
Leases	-	512
	<b>115,436</b>	<b>289,886</b>

#### 11 Impairment charge for credit losses

	31 Dec 2024 N'000	31 Dec 2023 N'000
Impairment charge for credit loss on loans and advances	5,980	45
Impairment charge on investment securities at FVOCI	8,721	-
Impairment charge/(writeback) on other financial instruments	376,240	(2,943)
	<b>390,941</b>	<b>(2,898)</b>

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#### 12 Operating expenses

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Personnel related costs (See Note (i) below)	1,224,639	742,494
Director's fees and sitting allowances (See Note (ii) below)	86,637	70,233
Auditor's remuneration (See Note (iii) below)	9,300	8,654
Amortisation (Note 20)	6,342	12,182
Depreciation (Note 21)	41,066	40,197
Shared service charge	122,128	116,337
Business development expenses	55,524	35,772
Professional fees	54,443	41,463
Depreciation of right of use assets (Note 18)	4,372	4,324
Penalties and Fines (Note 33)	2,530	115
Insurance	11,385	8,419
Legal Fees	26,552	9,149
R&M - Computer Sw & Accessories	12,560	8,557
Travel Expenses	13,346	3,855
Information & Technology	12,972	0
Other Admin Cost	17,564	12,451
	<b>1,701,360</b>	<b>1,114,201</b>

(i) Personnel related costs		
Wages and salaries	1,165,867	700,989
Gratuity costs - defined contribution plan	13,373	9,032
Pension costs - defined contribution plan	45,399	32,473
	<b>1,224,639</b>	<b>742,494</b>

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

	31 Dec 2024	31 Dec 2023
Executive	1	1
Management staff	5	3
Non management staff	65	57
	<b>71</b>	<b>61</b>

The number of employees of the Company who received emoluments (excluding pension contributions and other benefits such as medical insurance, telephone etc.) in the following ranges were -

Below N3,000,000	17	16
N3,000,001 - N5,000,000	15	10
N5,000,001 - N7,000,000	8	8
Above N7,000,000	31	27
	<b>71</b>	<b>61</b>

(ii) Directors' remuneration paid in respect of the Company:		
	31 Dec 2024	31 Dec 2023
	N'000	N'000
Fees and sitting allowances*	86,637	70,233
Executive compensation	248,391	61,120
	<b>335,028</b>	<b>131,353</b>

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

Chairman	25,000	25,000
Highest paid director	25,000	25,000

(iii) The external auditors, KPMG, provided limited assurance on ICFR during the year in the sum of N1,600,000 (Dec. 2023: Nil)

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### 13 Income tax expense

	31 Dec 2024 N'000	31 Dec 2023 N'000
<b>Tax Charge</b>	-	-
(i) <b>a) Minimum tax</b>	-	7,779
<b>b) Income tax</b>		
Corporate income tax	243,714	-
Information technology tax	17,546	11,621
Education tax	46,442	14,857
Nigerian policy trust fund levy	88	57
	<u>307,790</u>	<u>26,535</u>
b) Deferred tax		
Recognised in income statement:		
Origination and reversal of temporary differences	262,435	(13,853)
<b>Total deferred tax charge/(credit)</b>	262,435	(13,853)
<b>Total current tax charge</b>	570,225	12,682
<b>Total tax</b>	<u>570,225</u>	<u>12,682</u>

Based on Nigerian tax law, Companies Income Tax Act provides that current tax is determined as the higher of amount computed based on 30% of taxable profit, minimum tax and 30% of dividend declared. Education tax rates is 3% during the year. Tax Identification Number: 00985724-001.

(ii) The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	31 Dec 2024 N'000	31 Dec 2023 N'000
Profit before income tax	1,754,625	1,154,183
Income tax using the Company income tax rate of 30%	526,387	346,255
Non-deductible expenses	1,434	5,886
Non taxable items	(21,672)	(53,177)
Education tax	46,442	14,857
National Information Technology Development Fund	17,546	11,621
Police Fund Levy	88	58
Recognition of previously unrecognised deductible temporary differences	-	(312,818)
Total losses carried forward	-	-
<b>Total tax expense</b>	<u>570,225</u>	<u>12,682</u>
<b>Effective tax rate</b>	32%	1%

(iii) The movement in the current income tax liability is as follows:

	31 Dec 2024 N'000	31 Dec 2023 N'000
Tax charge for the year comprises:		
a) Income Tax payable		
At start of the period	205,622	198,616
Tax paid	(61,975)	(27,308)
WHT utilised	-	-
Income tax charge	307,790	34,315
At end of the period	<u>451,436</u>	<u>205,622</u>

### 14 Cash and cash equivalents

	31 Dec 2024 N'000	31 Dec 2023 N'000
Balances held with other banks:		
- Current account with banks in Nigeria	34,898	52,906
- Domiciliary accounts	78,801	34,103
- Fixed deposits	1,013,899	973,869
	<u>1,127,598</u>	<u>1,060,878</u>
Current	1,127,598	1,060,878

## FSDH Asset Management Limited

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### 15 Financial instruments measured through profit or loss

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Held for trading		
Quoted Equities	556,963	193,820
Mutual Funds	1,124,267	810,384
	<b>1,681,230</b>	<b>1,004,204</b>
Non-current	1,681,230	1,004,204

### 16 Loans and advances to employees at amortised costs

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Staff loans and advances	20,227	2,828
Other loans	24,902	21,742
<b>Gross carrying amount</b>	<b>45,129</b>	<b>24,570</b>
Allowance for impairment (See note (i))	(26,100)	(20,120)
<b>Carrying amount</b>	<b>19,029</b>	<b>4,450</b>
Current	-	3,257
Non-current	19,029	1,193
	<b>19,029</b>	<b>4,450</b>

Loans to staff as disclosed above represent staff loans which are payable between 1 to 15 years depending on the loan type. The significant loan type is the mortgage loans advanced to qualifying staff in employment of the Company for over 5 years. Other loan represents unamortised upfront paid to the former managing director (MD).

#### (i) Movement in Loans and advances to employees at amortised costs

	31 Dec 2024	31 Dec 2023
	N'000	N'000
At 1 January	20,120	20,075
Impairment expense (See Note 11)	5,980	45
At 31 December	<b>26,100</b>	<b>20,120</b>
Analysis of impairment as at 31 December:		
Stage 1 impairment on loans and advances	1,198	103
Stage 3 impairment on loans and advances	24,902	20,017
	<b>26,100</b>	<b>20,120</b>

### 17 Investment securities

#### 17.1 Analysis of investment securities

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Debt securities (Note (i))	785,705	869,478
	<b>785,705</b>	<b>869,478</b>
Current	426,585	426,585
Non-current	359,120	442,893
	<b>785,705</b>	<b>869,478</b>

#### (i) Debt securities

Classified as fair value through other comprehensive income		
Federal Government of Nigeria Bonds	363,163	222,468
Corporate Bonds	422,542	647,010
	<b>785,705</b>	<b>869,478</b>

#### 17.2 ECL on debt securities measured at FVOCI

Federal Government of Bonds	3,441	1,450
Corporate Bonds	4,718	2,931
	<b>8,158</b>	<b>4,382</b>

## FSDH Asset Management Limited

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#### 18 Deferred tax

Deferred income tax asset are attributable to the following item:

	1 Jan 2024 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 Dec 2024 N'000
Movements in temporary differences during the year:				
Property and equipments	29,416	(49,807)	-	(20,391)
Exchange differences	(279,406)	26,636	-	(252,770)
Loans and advances	34	1,973	-	2,007
Unutilized tax losses	241,237	(241,237)	-	-
	<b>(8,719)</b>	<b>(262,435)</b>	<b>-</b>	<b>(271,154)</b>
	1 Jan 2023 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 Dec 2023 N'000
Movements in temporary differences during the year:				
Property and equipment	(5,266)	34,682	-	29,416
Foreign exchange translation	(17,306)	(262,100)	-	(279,406)
Loans and advances	-	34	-	34
Unutilized tax losses	-	241,237	-	241,237
	<b>(22,572)</b>	<b>13,852</b>	<b>-</b>	<b>(8,719)</b>

#### 19 Leases

i	Right-of-use assets		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
			<b>N'000</b>	<b>N'000</b>
	Balance at 1 January		23,088	23,088
	Additions during the year		9,545	-
	<b>Balance at 31 December</b>		<b>32,633</b>	<b>23,088</b>
	Accumulated Depreciation			
	Balance at 1 January		18,717	14,393
	Charge for year		4,372	4,324
	<b>Balance at 31 December</b>		<b>23,089</b>	<b>18,717</b>
	<b>Net book value</b>		<b>9,544</b>	<b>4,371</b>
ii	Lease liabilities		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
			<b>N'000</b>	<b>N'000</b>
	Balance at 1 January		5,755	8,695
	Additions		9,544	513
	Lease repayment		(4,603)	(3,453)
	<b>Balance at 31 December</b>		<b>10,696</b>	<b>5,755</b>
	Current		<b>10,696</b>	<b>5,755</b>

#### 20 Other assets

			<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
			<b>N'000</b>	<b>N'000</b>
	Financial assets:			
	Trade receivables		630,334	205,526
	<b>Gross financial asset</b>		<b>630,334</b>	<b>205,526</b>
	Allowance for credit loss (See note (i))		(376,240)	-
	<b>Carrying amount</b>		<b>254,094</b>	<b>205,526</b>
	Non financial assets:			
	Withholding tax receivable		1,770	1,770
	Prepayments		32,312	12,876
			<b>288,176</b>	<b>220,172</b>
	Current		288,176	220,172

Trade receivables are mainly fee receivable from the Mutual Funds and Portfolios under management.

(i)	Movement in Other assets		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
			<b>N'000</b>	<b>N'000</b>
	At 1 January		-	2,943
	Impairment charge/(writeback) (Note 11)		376,240	(2,943)
	At 31 December		<b>376,240</b>	<b>-</b>

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#### 21 Intangible assets

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Cost		
At 1 January	33,765	54,839
Additions	-	1,775
Disposals	-	-
Write offs	-	(22,849)
<b>At 31 December</b>	<b>33,765</b>	<b>33,765</b>
Accumulated amortisation		
At 1 January	21,379	18,986
Charge for the year	6,342	12,182
Disposals	-	-
Write offs	-	(9,789)
<b>At 31 December</b>	<b>27,721</b>	<b>21,379</b>
Net book amount at 1 January	12,386	1,162
Net book amount at 31 December	<b>6,044</b>	<b>12,386</b>

#### 22 Property and equipment

	Computer Equipment N'000	Furniture, Fittings & Equipment N'000	Motor Vehicles N'000	Total N'000
Cost				
At 1 January 2024	38,561	1,618	125,557	165,735
Additions	23,049	3,170	72,000	98,219
<b>At 31 December 2024</b>	<b>61,610</b>	<b>4,788</b>	<b>197,556</b>	<b>263,955</b>
Accumulated amortisation				
At 1 January 2024	22,597	527	72,967	96,091
Charge for the year	10,233	432	30,401	41,066
<b>At 31 December 2024</b>	<b>32,830</b>	<b>959</b>	<b>103,368</b>	<b>137,157</b>
<b>Net book amount at 31 December 2024</b>	<b>28,780</b>	<b>3,829</b>	<b>94,188</b>	<b>126,798</b>

	Computer Equipment N'000	Furniture, fittings & equipment N'000	Motor vehicles N'000	Total N'000
Cost				
At 1 January 2023	26,239	373	79,356	105,968
Additions	12,322	1,245	46,201	59,767
At 31 December 2023	<b>38,561</b>	<b>1,618</b>	<b>125,557</b>	<b>165,736</b>
Accumulated amortisation				
At 1 January 2023	14,290	280	41,324	55,894
Charge for the year	8,307	247	31,643	40,197
At 31 December 2023	<b>22,597</b>	<b>527</b>	<b>72,967</b>	<b>96,091</b>
<b>Net book amount at 31 December 2023</b>	<b>15,964</b>	<b>1,091</b>	<b>52,590</b>	<b>69,645</b>

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#### 23 Other liabilities

	31 Dec 2024 N'000	31 Dec 2023 N'000
<b>Financial liabilities:</b>		
Accrued expenses	113,665	39,047
Accounts payable	453,289	250,759
Short term notes (See note i below)	-	1,187,715
	<b>566,954</b>	<b>1,477,521</b>
Current	566,954	1,477,521
(i) Short Term Note		
	<b>31 Dec 2024 N'000</b>	<b>31 Dec 2023 N'000</b>
Opening balance as at 1 January	1,187,715	3,303,147
Addition	-	-
Interest (See note 11)	115,436	271,019
Interest paid	(198,151)	(263,259)
Repayment	(1,105,000)	(2,123,192)
Closing balance as at 31 December	<b>-</b>	<b>1,187,715</b>

\*Short Term Note represents promissory notes obligations

#### 24 Share capital

	31 Dec 2024 N'000	31 Dec 2023 N'000
Issued and fully paid		
2,700,000,000 Ordinary shares of N1 each (2023: 2,700,000,000 Ordinary shares of N1 each)	2,700,000	2,700,000
Movements during the period:		
At start of the period	2,700,000	2,700,000
Issue of new shares	-	-
At end of the period*	2,700,000	2,700,000

#### 25 Reserves

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

**Retained earnings:** Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below. See statements of change in equity.

**Fair value through other comprehensive income (FVOCI) reserve:** The revaluation reserve shows the effects from the fair value measurement of financial instruments of the FVOCI category. Any gains or losses on debts instruments are recognised in the income statement when the asset has been sold or impaired.

#### 26 Reconciliation of profit before tax to cash generated from operations

	31 Dec 2024 N'000	31 Dec 2023 N'000
<b>Profit before income tax</b>	1,754,625	1,154,183
Adjustments for:		
- Net gains on held for trading financial instruments (note 6)	(225,871)	(330,311)
- Amortisation (Note 21)	6,342	12,182
- Depreciation - PPE (Note 22)	41,066	40,197
- Depreciation - right of use (Note 19)	4,372	4,324
- Impairment charge/(writeback) (Note 11)	390,941	(2,898)
- Intangible asset written off (Note 21)	-	13,060
- Foreign exchange revaluation (Note 9)	(926,215)	(846,686)
- Interest Income (Note 7)	(107,795)	(204,295)
- Interest expense (Note 23)	115,436	271,019
- Dividend Income (Note 9)	(37,455)	(8,353)
Changes in working capital:		
- Financial instruments measured through profit or loss (Note 33(a))	(262,532)	1,269,071
- Staff loans (Note 33(d))	(20,167)	2,726
- Other assets (Note 33(b))	(58,447)	(75,257)
- Other liabilities (Note 33(c))	277,148	149,830
<b>Cash generated from operations</b>	<b>951,448</b>	<b>1,448,791</b>

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for the year ended 31 December 2024

#### 27 Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprises:	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Cash and cash equivalents (note 14)	<b>N'000</b>	<b>N'000</b>
	1,127,598	1,060,878
	<b>1,127,598</b>	<b>1,060,878</b>

#### 28 Contingent liabilities and commitments

##### (a) Legal proceedings

The Company is currently involved in two cases as a defendant. The total amount claimed in the case instituted against the Company is N2 billion (31 December 2023: 789.5million). The Directors having sought the advice of the professional legal counsel are of the opinion that no significant liability will crystallise from this case.

##### (b) Capital commitments

There were no capital commitments as at year ended 31 December 2024 (31 December 2023: Nil)

#### 29 Earnings per share

Basic/diluted

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

The Company does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders.

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Profit/Loss attributable to equity holders of the Company from continuing operations (N'000)	1,184,400	1,133,722
Weighted average number of ordinary shares ('000)	2,700,000	2,700,000
Earnings per share form continuing operations - basic/diluted (kobo)	44	42

#### 30 Related party transactions

The Company is a subsidiary of FSDH Holding Company Limited which owns 99.7% of the Company's share capital.

A number of transactions are entered into with related parties in the normal course of business. These include call and tenured placements, investments and stock-broking activities for the mutual funds managed by FSDH Asset Management Limited. The volume of related party transactions, outstanding balances at the year-end, and related expense and income for the year are as follows:

##### (a) Transactions with related parties

	Directors and key management personnel		Co-subsiary (FSDH MB)	
	31 Dec 2024 N'000	31 Dec 2023 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000
Bank balance	-	-	89,107	83,260
Intercompany payables	-	-	9,699	32,485
Investment income earned	-	-	-	446
Eurobonds on safe custody	-	-	785,705	869,478
Treasury bills on safe custody	-	-	-	-
Custody fee paid	-	-	4,987	4,987

	Directors and key management personnel		Co-subsiary (FSDH MB)	
	31 Dec 2024 N'000	31 Dec 2023 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000
Turnover of trades executed (purchases & sales)	-	-	17,894	17,894
Brokerage commission paid	-	-	91	91



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(b) <b>Changes in other asset</b>		
Opening balance	220,172	143,417
Impairment expense (Note 11)	-	2,943
Dividend income (Note 9)	37,455	8,353
Dividend received	(27,897)	(9,798)
Closing balance	(288,176)	(220,172)
	<b>(58,447)</b>	<b>(75,257)</b>
(c) <b>Changes in Other Liabilities</b>		
Opening balance*	(289,806)	(139,976)
Closing balance*	566,954	289,806
	<b>277,148</b>	<b>149,830</b>
	<i>*This excludes short term note</i>	
(d) <b>Changes in staff loan</b>		
Opening balance	4,450	7,170
Interest income (Note 7(a))	392	139
Interest received	-	(88)
Impairment expense (Note 11)	(5,980)	(45)
Closing balance	(19,029)	(4,450)
	<b>(20,167)</b>	<b>2,726</b>
(e) <b>Investment securities</b>		
Opening balance	869,478	1,384,887
Acquisition of investments	15,610	1,450
Interest Income (Note 7)	107,401	204,155
Interest received	(151,641)	(349,763)
Foreign exchange gains (Note 33(f))	324,974	285,444
Fair value gain (Note 33(g))	4,844	43,245
Impairment expense (Note 11)	(384,961)	-
Disposal of investments	-	(699,940)
Closing balance	<b>785,705</b>	<b>869,478</b>
(f) <b>Unrealized Foreign exchange gains</b>		
FX gains on Investment securities	324,974	285,444
FX gains on Financial Instrument measured through profit or loss	181,949	164,205
FX gains on Cash and Cash Equivalent	419,292	397,037
	<b>926,215</b>	<b>846,686</b>
(g) <b>Fair value gain</b>		
FV loss on bonds at FVTPL (Note 6)	(6,674)	(1,042)
FV gain on bonds at FVOCI	11,518	44,287
	<b>4,844</b>	<b>43,245</b>

OTHER NATIONAL DISCLOSURES

**FSDH Asset Management Limited**

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OTHER NATIONAL DISCLOSURES

**VALUE ADDED STATEMENT**

	31 December 2024		31 December 2023	
	N'000	%	N'000	%
Gross (loss)/earnings	3,962,362	128	2,555,372	128
Bought -in - materials and services (local)	(476,721)	(15)	(558,512)	(28)
Impairment charge for credit losses	<u>(390,941)</u>	(13)	<u>2,898</u>	0
Value added	<u><b>3,094,700</b></u>	<b>100</b>	<u><b>1,999,758</b></u>	<b>100</b>
<b>Applied to pay:</b>				
<i>To employees:</i>				
- Employees costs	<b>1,224,639</b>	<b>40</b>	555,688	28
<i>To lenders:</i>				
- Lender as interest	<b>115,436</b>	<b>4</b>	289,886	14
<i>To government:</i>				
- Government as taxes	<b>570,225</b>	<b>18</b>	20,462	1
<i>Retained in the business:</i>				
- To (deplete)/augment reserves	<u><b>1,184,400</b></u>	<b>38</b>	<u>1,133,721</u>	<b>57</b>
	<u><b>3,094,700</b></u>	<b>100</b>	<u><b>1,999,758</b></u>	<b>100</b>

These statements shows the distribution of the wealth created by the Company during the period.

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**FIVE YEAR FINANCIAL SUMMARY**

	<b>31 December 2024 N'000</b>	31 December 2023 N'000	31st December 2022 N'000	31st December 2021 N'000	31st December 2020 N'000
<b>Profit and Loss account</b>					
Gross (loss)/earnings	<b>3,962,362</b>	2,555,372	1,344,345	(1,686,810)	892,092
Profit/Loss before tax	<b>1,754,625</b>	1,154,183	127,244	(3,220,898)	382,379
Tax	<b>(570,225)</b>	(7,779)	(6,847)	(1,739)	(82,148)
Profit/Loss after tax	<b>1,184,400</b>	1,146,404	120,397	(3,222,637)	300,231
Earnings per share	<b>44k</b>	42k	150k	150k	150k
<b>Statement of Financial Position</b>					
Cash and cash equivalents	<b>1,127,598</b>	1,060,878	635,150	609,986	542,117
Financial instruments measured through profit or loss	<b>1,681,230</b>	1,004,204	1,777,717	2,326,382	293,195
Loans and advances to employees at amortised costs	<b>19,029</b>	4,450	7,170	27,677	7,751
Investment securities	<b>785,705</b>	869,478	1,384,887	1,056,148	538,205
Right-of-use assets	<b>9,544</b>	4,371	8,695	4,798	9,595
Other assets	<b>288,176</b>	220,172	143,417	105,472	310,858
Deferred tax asset	-	-	-	-	-
Retirement benefit asset	-	-	-	-	-
Intangible assets	<b>6,044</b>	12,386	35,853	24,619	27,323
Property and equipment	<b>126,798</b>	69,645	50,074	44,495	61,048
	<b>4,044,124</b>	3,245,583	4,042,963	4,199,577	1,790,092
<b>Liabilities:</b>					
Current income tax liability	<b>451,436</b>	205,622	198,615	185,214	183,859
Other liabilities	<b>566,954</b>	1,477,521	3,443,123	6,194,272	256,495
Deferred tax liability	<b>271,154</b>	8,719	22,572	30,344	30,344
Lease liabilities	<b>10,696</b>	5,755	8,695	5,149	4,591
	<b>1,300,240</b>	1,697,617	3,673,005	6,414,979	475,289
Net Assets	<b>2,743,884</b>	1,547,966	369,958	(2,215,403)	1,314,803
<b>Financed by:</b>					
Share capital	<b>2,700,000</b>	2,700,000	2,700,000	200,000	200,000
Retained earnings	<b>85,853</b>	(1,098,547)	(2,232,268)	(2,353,883)	1,078,753
FVOCI reserve	<b>(41,969)</b>	(53,487)	(97,774)	(61,519)	36,050
	<b>2,743,884</b>	1,547,966	369,958	(2,215,402)	1,314,803
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUND</b>	<b>4,044,124</b>	3,245,583	4,042,963	4,199,577	1,790,092