GPC-SPV COMPANY PLC

₦20 Billion Ten-Year 13% Series 1 Senior Guaranteed Fixed Rate Bond Due 2031 under the ₦50 Billion Programme

2025 Final Corporate Bond Rating Review Report

Agusto&Co.

Research, Credit Ratings, Credit Risk Management

GPC-SPV COMPANY PLC

₦20 Billion Ten-Year 13% Series 1 Senior Guaranteed Fixed Rate Bond Due 2031 under the ₦50 Billion Bond Programme

Issue Rating:

Aaa

Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner.

Outlook: Stable
Issue Date: 24 March 2025
Expiry Date: 23 November 2025

The Issue rating is valid throughout the life of the instrument and will be subject to annual monitoring and review.

Previous Rating: Aaa

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RATING RATIONALE

Agusto & Co. hereby affirms the **"Aaa"** rating assigned to GPC-SPV Company PLC's ("the Issuer") ₦20 Billion Ten-Year 13% Series 1 Senior Guaranteed Fixed Rate Bond Due 2031 ("Series 1 Bond", "the Bond" or "the Issue") under the ₦50 Billion Bond Issuance Programme. The rating is hinged on the strength of the unconditional and irrevocable credit guarantee provided by the Infrastructure Credit Guarantee Company Limited ("InfraCredit" or "the Guarantor") for the prompt repayment of all principal and coupon due to the Series 1 Bondholders. The guarantee allows InfraCredit to step in and fund the Payment Account before any scheduled Payment Date if the Sponsor fails in this regard. In August 2024, Agusto & Co. affirmed the **"Aaa"** rating assigned to InfraCredit to underscore its good profitability, acceptable risk management framework, sturdy liquidity profile, stable management team, and strong support from its shareholders and long-term debt sponsors. InfraCredit's equity holders and long-term debt sponsors provide a robust corporate governance framework and technical support that have continued to strengthen the Guarantor's ability to support infrastructure projects, which Agusto & Co. views positively.

GPC-SPV Company PLC issued a ₦20 billion Series 1 Bond on 23 November 2021. The net proceeds from the Issue were passed through to GPC Energy & Logistics Limited ("GPC" "the Company" or "the Sponsor") to acquire 265 trucks and refinance its loan obligations. The Series 1 Bond was fully guaranteed by InfraCredit based on the Deed of Guarantee with the Bond Trustee. The Bond constitutes senior, direct and guaranteed obligations of the Issuer and shall at all times rank pari passu with any existing debt of the Sponsor.

The Series 1 Bond's coupon is payable semi-annually on 23 May and 23 November each year during the life of the Issue, while the principal repayment commenced on 23 May 2024 after the expiration of the two-year moratorium. The Bond's coupon and principal repayments are being met from the Sponsor's operating cash flow. In line with the Trust Deed, the Sponsor is expected to fund the Payment Account with (1) 50% of the next scheduled amount (coupon and principal) due on the Bond no later than 30 business days before the next Payment Date and (2) the remaining 50% of the next scheduled Coupon and/or Redemption Amount payable on the Bond no later than ten Business Days before the next Payment Date. If the Sponsor fails to fund the Payment Account with the scheduled coupon and principal

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repayments, InfraCredit will step in to pay all amounts due to the Bondholders, which significantly reduces any default risks by the Issuer.

The Sponsor has continued to meet the Bond obligations as and when due. As at 5 February 2025, the Company had paid approximately ₦9.3 billion to the Bondholders, representing six semi-annual coupon payments and two principal repayments. The principal obligation outstanding as at the same date was approximately ₦18.5 billion. Agusto & Co. projects that GPC Energy and Logistics Limited will continue to meet the Series 1 Bond obligation as and when due, primarily supported by its satisfactory cash-generating capacity.

Based on the foregoing, Agusto & Co. has attached a **stable** outlook to the ₦20 Billion Ten-Year 13% Series 1 Senior Guaranteed Fixed Rate Bond Due 2031 under the ₦50 Billion Bond Programme, premised on the continued irrevocable and unconditional guarantee provided by InfraCredit. Notwithstanding, our rating and outlook on the Series 1 Bond will be revised accordingly to reflect changes in the rating assigned to the Guarantor.

Figure 1: Bond's Strengths, Weakness, Opportunities & Threats

Strengths

- Irrevocable and unconditional guarantee provided by InfraCredit
- InfraCredit's strong financial condition
- InfraCredit's expanding funding base
- Guarantor's strong liquidity profile
- Sponsor's good liquidity position
- Sponsor's improving profitability metrics
- Sponsor's adequate working capital position upheld by stable long-term funding
- Sponsor's stable, qualified and experienced management team

Weakness

- Sponsor's elevated leverage metrics

Opportunities

- The potential positive impact of the African Continental Free Trade Area Agreement, which provides an opportunity for cross-border haulage services
- The improving performance of the Nigerian Manufacturing Sector, which should support the Sponsor's growth in the near term

Threats

- The frail macroeconomic environment evidenced by high inflation and persistent Naira depreciation intensifying margin pressures
- The heightened insecurity in the country
- Infrastructure deficit in the country hindering Logistics Industry growth
- The Industry's weak regulatory environment, which may inhibit long-term growth

GUARANTORS PROFILE

The Infrastructure Credit Guarantee Company Limited ("InfraCredit", "the Corporation" or "the Company") was incorporated on 20 October 2016 and commenced operations in January 2017. InfraCredit was established by the Nigeria Sovereign Investment Authority[1] (rated **Aaa** by Agusto & Co.) in collaboration with GuarantCo Management Company Limited[2] (rated **A1** by Moody's), to provide credit guarantees for local currency loans and debt instruments issued to finance eligible infrastructure transactions in Nigeria. These guarantees serve as credit enhancements, reducing issuance costs for borrowers and catalysing funding from long-term investors. This approach deepens the Nigerian debt market while bridging the country's significant infrastructure gap. The Corporation's capital is invested in liquid assets including treasury securities and other highly rated instruments such as corporate securities and bank placements as approved by the Board of Directors.

InfraCredit supports infrastructure projects in power (generation, transmission, distribution and renewable energy), agriculture, water distribution, waste management, transportation, ICT/telecommunications, gas-to-power (gas processing and distribution), social infrastructure, input-to-infrastructure (providers of inputs used in infrastructure development), amongst others. InfraCredit's operating activities are jointly financed by equity and long-term borrowings. As at 2023, five shareholders, consisting of a sovereign wealth fund, development finance institutions (DFIs) and domestic institutional investors, own shares in InfraCredit. Long-term borrowings provided by the African Development Bank (AfDB) and KfW Development Bank (KFW) further support the Corporation. This is in addition to the $25 million callable capital funding facility from the GuarantCo Management Company Limited (GuarantCo), which could be drawn if the core capital is impaired by 80% due to called guarantees. After 2023, the callable funding facility with GuarantCo was restructured into an equivalent re-guarantee facility and became effective on 30 June 2024. In November 2023, AIICO Insurance PLC joined other shareholders as subscribers to the Guarantor's equity. These shareholders and long-term debt providers also offer regulatory and governance support that guides the Infrastructure Credit Guarantee Company Limited's activities.

Table 1: Breakdown of InfraCredit's Capital Providers as at 31 December 2023

Equity Holders	Status	Capital Type	Initial Capital	Current Capital
Nigeria Sovereign Investment Authority (NSIA)	Sovereign Authority	Equity	USD 25 Million	USD38 Million
African Finance Corporation	Supranational	Equity	USD 25 Million	USD30 Million
KFW Development Bank	Supranational	Subordinated Capital	USD61 Million	USD 61 Million
African Development Bank Group	Supranational	Subordinated Capital	USD10 Million	USD25 Million
InfraCo African	DFI	Equity	USD27 Million	USD27.9 Million
Leadway Assurance	Domestic Institutional Investor	Equity	USD5 Million	USD5.05 Million
AIICO	Domestic Institutional Investor	Equity	USD3.26 Million	USD3.26 Million

Source: Infrastructure Credit Guarantee Company Limited

[1] *NSIA is an independent investment institution, set up to manage Nigeria's Sovereign Wealth Fund in excess of budgeted hydrocarbon revenues.*
[2] *The firm provides local currency contingent credit solutions, primarily guarantees, to support projects and companies to raise debt financing for the development of infrastructure in Africa and Asia.*

BOND STRUCTURE & ADEQUACY OF PAYMENT ACCOUNT

On 23 November 2021, GPC-SPV Company PLC (GPC-SPV) accessed the Nigerian Debt Capital Market and raised ₦20 billion in bonds ("the Bond" or "Series 1" or "the Issue") under its ₦50 billion Bond Issuance Programme. The Bond was issued at a fixed annual coupon rate of 13%, with a ten-year tenor and a final maturity date of 23 November 2031. In line with the Series 1 Trust Deed, the coupon payment and principal repayment (which commenced after the two-year moratorium expired) are being made semi-annually over the Bond's ten-year tenor.

The Series 1 Bond constitutes a direct, senior guaranteed obligation of the Issuer and is being redeemed primarily from the Sponsor's operating cash flows. In line with the Trust Deed, the Issuer set up a Payment Account under the management of the Trustees – PAC Trustees Limited. The Sponsor makes make full payment of the Bond obligations (coupon and principal) by funding the Payment Account with (1) 50% of the next scheduled coupon and redemption amount due on the Series 1 Bond no later than 30 business days before the next Payment Date and (2) the remaining 50% of the next scheduled coupon and redemption mount payable on the Bond no later than ten Business Days before the next Payment Date. Hence, the total funding in the Payment account will be at least 100% of the scheduled coupon and redemption amount due on the Series 1 Bond on such Payment Date. The obligations on the Bond are 100% backed by the unconditional and irrevocable guarantee by InfraCredit under the terms of the Deed of Guarantee. Accordingly, if the Issuer/Sponsor fails to pay the amounts due on the Bond, the Guarantor shall step in to settle the required amount in line with the Trust Deed and Deed of Guarantee.

The Bond proceeds were passed through to GPC Energy & Logistics Limited and utilised as follows:

Table 2 – Utilization of Series 1 Bond Proceeds

Use of Proceeds	Amount (₦ million)	% of Issue Proceeds	Status
Purchase of 265 trucks	11,029	55.14%	Completed
Refinancing of existing debt obligations	7,900	39.50%	Completed
Insurance of trucks	611	3.06%	Completed
Cost of issue	460	2.30%	Completed
Total	**20,000**	**100%**	

As stated in the Trustees' Report dated 5 February 2025, GPC Energy and Logistics Limited has not breached any Bond covenants. As at the same date, the Sponsor had paid a total sum of ₦9.3 billion to the Series 1 Bondholders, representing six semi-annual coupon payments and two principal repayments, without recourse to the guarantee provided by InfraCredit. The next coupon payment and principal repayment[3] (totaling ₦2.05 billion) will fall due on 23 May 2025. Agusto & Co. projects that GPC Energy & Logistics Limited will continue to meet the obligations on the Bond as and when due, supported by its satisfactory cash-generating capacity and favourable trade terms with customers and suppliers. Notwithstanding, in the event of a strain on the Sponsor's cash flow at any time during the lifetime of the Bond, InfraCredit will step in and make the coupon and principal payments.

[3] *The outstanding principal obligation on the Bond as at 5 February 2025 stood at approximately ₦18.5 billion*

REVIEW OF ISSUER'S FINANCIAL CONDITION

Analysts' Comments: *We have reviewed GPC Energy and Logistics Limited's three-year audited financial statements ended 31 December 2023 and the management accounts for the full year 31 December 2024*

Improving profitability metrics despite higher inflationary and foreign exchange pressures

GPC Energy & Logistics Limited generates revenue by providing transport solutions to leading companies and multinationals operating in the fast-moving consumer goods, food and beverage, cement and manufacturing sectors of the Nigerian economy. In the financial year ended 31 December 2024 (unaudited), the Sponsor reported total revenue of circa ₦42 billion, up by a notable 76% from the prior year. The revenue growth reflects increased patronage from its customer base (mainly operators in the brewery, flour milling, glass manufacturing and cement industries) and upward price reviews implemented on its haulage services in the wake of rising cost pressures. Agusto & Co. expects the Company's upward revenue momentum to be maintained in the medium to long term, primarily due to the relative long-term nature of its contract with its existing customer base (3-8 years) coupled with the introduction of additional trucks to its fleet to meet the sustained growth in its business activities.

The Company's input costs are susceptible to fluctuations in the global supply chain as the bulk of its spares are sourced overseas, thus, exposing it to foreign currency risks owing to continued Naira depreciation. Similarly, diesel prices have also trended upward over the past 18 months due to higher crude oil prices and a weaker Naira, culminating in higher direct costs and margin pressures for Logistics Industry operators. However, GPC's direct cost-to-sales ratio improved to 55% in 2024 (2023: 70%), primarily due to the upward price reviews implemented on its haulage services, translating to a gross profit margin of 45% in the same year (2023: 30%). Although GPC's operating expense (OPEX) to revenue ratio rose to 25% in 2024 (2023: 12%) due to the impact of higher inflationary pressures on its business costs, it still reported a much-improved operating profit margin of 20% (2023: 18%), underpinned by the faster growth in revenue relative to operating costs. Given the escalation clauses included in GPC's contract with customers, which enables it to pass on rising cost pressures to clients to protect profit margins, we do not anticipate any significant deterioration in its profit margins in the short to medium term.

As a result of the continued Naira depreciation in 2024, which necessitated the remeasurement of the Company's foreign currency obligations (open letters of credit to facilitate the import of spare parts and other consumables), GPC reported a net foreign exchange (FX) loss of ₦3.3 billion (2023: ₦2.6 billion). However, the Company's finance cost-to-sales ratio fell to 18% in the review year (2023: 26%), largely supported by the strong revenue growth. Despite the higher cost pressures in the review year, GPC Energy and Logistics Limited's pre-tax profit margin improved to approximately 4% in 2024 (2023: 2%), primarily due to better revenue performance. In the same vein, the Company's pre-tax-pre-interest return on assets (ROA) and pre-tax return on equity (ROE) improved to 22% and 28% respectively in 2024 (2023: 15%, -9%), reflecting the better profit performance compared to the prior year. With the foreign exchange losses likely to normalise in the near term due to the relative stability of the Naira so far in 2025 and GPC's ability to implement upward price reviews on its services due to escalation clauses in its haulage contracts, we anticipate continued improvement in its profitability metrics in the short to medium term.

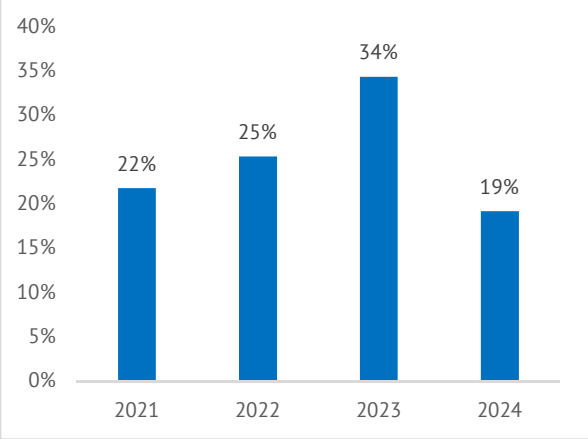
Overall, GPC Energy and Logistics Limited's profitability is satisfactory.

Satisfactory cash flow position supported by favourable trade terms with customers and suppliers

In the year ended 31 December 2024, GPC Energy and Logistics Limited reported an operating cash flow (OCF) of ₦8.1 billion (2023: ₦8.2 billion), primarily upheld by its favourable trade terms with customers and suppliers and adjustments for non-cash items, particularly unrealised exchange losses on letters of credit to facilitate the import of spare parts. The Company's operating cash flow in the review year was sufficient to cover the returns to providers of finance (RTPOF) of approximately ₦7.4 billion – wholly comprising interest payment to debt financiers as the Company has historically ploughed back 100% of its yearly profits to support the expansion of the business. Similarly, the Company's three-year (2022 – 2024) cumulative operating cash flow of ₦21 billion was also sufficient to cover the cumulative RTPOF of approximately ₦16.4 billion, which we consider satisfactory.

In 2024, the Company reported an OCF to sales ratio of 20%, while the three-year (2022 – 2024) ratio stood at 25% and compared favourably with our internal benchmark of 20%, underlining its satisfactory ability to generate cash from its core business. Given the Company's expanded customer base and the prompt cash collection from customers for the haulage services rendered, Agusto & Co. expects it to continue to generate sufficient cash flows to meet maturing debt obligations. This is in addition to the Sponsor's satisfactory ability to effect cost-reflective pricing adjustments on its haulage services, which we believe will continue to support its cash flow. In our view, the Company's overall cash flow position is satisfactory.

Figure 2: Operating Cash Flow to Sales Ratio (2021–2024)



Adequate liquidity profile supported by a satisfactory cash-generating capacity

As at 2024, the Sponsor's liquidity comprised cash and equivalent balances of ₦3.1 billion (2022: ₦13.1 billion) and free cash flows from operations of ₦0.7 billion. GPC's cash balance and free cash flow from operations in the review period adequately covered its maturing short-term obligations 11x, underlining its adequate liquidity position. Also, GPC's well-established relationships with domestic financial institutions and ability to access the local debt market through bond issuances, underline its ability to refinance maturing debt obligations adequately.

Adequate working capital, primarily supported by stable long-term funding

As at 31 December 2024, the Sponsor's trading assets more than doubled to ₦12.2 billion (2023: ₦5.8 billion), reflecting the increase in trade receivables, FX purchased for imports and other debtors and prepayments. The main components of the Company's trading assets as at 31 December 2024 were trade receivables (45%), other debtors and prepayments (34%), FX purchased for imports (19%) and inventories (2%). As at the same date, the Sponsor's spontaneous financing rose by 43% to ₦7.7 billion, mainly due to the increase in other accruals and trade creditors. The spontaneous financing primarily comprised other accruals (62%) and trade creditors (38%). Despite the rise in the Sponsor's spontaneous financing, it was insufficient to cover the trading assets, resulting in a short-term working capital need (WCN) of ₦4.5 billion as at 2024, which was similar to the previous year.

As at 2024, the Company's long-term assets rose by 30% to ₦26 billion, reflecting the increase in its truck fleet. As at the same date, GPC's long-term funds (equity and long-term borrowings) stood at approximately ₦33 billion. The Sponsor's long-term funds were sufficient to cover the long-term assets, leaving a working capital available of ₦7 billion. The Company's working capital available was sufficient to cover the working capital need, leading to an overall working capital surplus of ₦2.5 billion as at 31 December 2024. Considering the prospects of increased profit accretion in the near term, which we believe will continue to support the Company's shareholders' funds, we anticipate the overall working capital position to remain adequate in the short to medium term.

Agusto & Co. believes the Sponsor's overall working capital position is adequate for its current operations.

Leverage metrics remain high due to debt-induced business expansion

As at 31 December 2024, GPC Energy and Logistics Limited's total liabilities rose slightly to ₦36 billion (2023: ₦35 billion). The Company's total liabilities as at 2024 comprised interest-bearing liabilities (79%) and non-interest-bearing obligations (21%). The interest-bearing liabilities (IBL) primarily consisted of the ₦20 Billion 10-year 13% Series 1 Bond issued in November 2021 and bank borrowings (including import finance facilities) obtained from two commercial banks at interest rates ranging between 9% and 20% respectively.

In 2024, GPC's finance cost-to-sales ratio remained high at 18% (2023: 26%), primarily due to the foreign exchange losses recognised on its import finance facilities precipitated by the continued local currency depreciation. With the foreign exchange losses likely to normalise in the short term, we expect improvements in GPC's finance cost to sales ratio in the near to medium term. GPC Energy & Logistics Limited 's interest cover (adjusted for unrealised foreign exchange losses) of 2x in 2024 was below our benchmark of 3x. Notwithstanding, Agusto & Co. does not anticipate any deterioration in the Sponsor's debt repayment capacity in the short term due to its satisfactory cash generating capacity and ability to implement upward price reviews on its haulage services.

As at 2024, the Sponsor's total assets were financed by liabilities (87%) and shareholders' equity (13%) reflecting a low equity cushion. As a result of the elevated borrowing levels, the Sponsor's IBL net of cash and equivalents to equity and net debt to total assets ratios rose sharply to 468% and 103% respectively as at 2024 (2023: 427% and 86%). In our opinion, GPC Energy & Logistics Limited's leverage position is high.

OUTLOOK ON BOND REPAYMENT

Despite the challenges hindering the growth of the Nigerian Road Logistics Industry—inadequate road infrastructure, escalating costs of spares and other consumables amid continued Naira depreciation, security concerns and high fuel prices—we maintain a cautiously optimistic outlook for the industry. This optimism is underpinned by the strengthening fundamentals of the domestic manufacturing sector, as road logistics operators derive a significant portion of their revenue from the transportation of goods produced by this sector, given the persistent deficiencies in the country's rail network. Despite the current macroeconomic vagaries, we recognise the African Continental Free Trade Area Agreement (AfCFTA) as a strategic opportunity for industry players to expand into cross-border haulage, enhancing revenue diversification and foreign exchange generation in the medium term.

Notwithstanding Nigeria's difficult operating environment, GPC Energy & Logistics Limited continues to record consistently good revenue performance evidenced by a cumulative average growth rate (CAGR) of 42.2% over the past five years (2020-2024), primarily supported by an expanding clientele base and its ability to implement upward pricing adjustments on its haulage services. In November 2021, the Sponsor raised ₦20 Billion Ten-Year Senior Guaranteed Fixed Rate Bond under a ₦50 Billion Bond Issuance Programme to acquire 265 trucks in line with its expansion initiatives. The Sponsor has also indicated plans to take advantage of the AfCFTA by providing cross-border haulage services to new and existing clients, which provides an opportunity to earn foreign exchange income. Consequently, we believe the upward revenue trajectory will be maintained, backed by a combination of the increased operating scale and upward price adjustments on its services. Agusto & Co. also projects that the Sponsor's favourable trade terms with customers and moderate net income growth supported by its increased scale will continue to support its cash-generating capacity and ability to meet the obligations on the Bond as and when due. However, in the event of a strain on the Sponsor's cash flow at any time during the lifetime of the Bond, the Infrastructure Credit Guarantee Company Limited will step in and make the coupon and principal payments.

Based on the guarantee provided by InfraCredit, we attach a **stable** outlook to the ₦20 Billion Ten-Year 13% Series 1 Senior Guaranteed Fixed Rate Bond Due 2031 under the ₦50 Billion Programme. However, should there be a change in the rating of the Guarantor, our rating and outlook for the Series 1 Bond will be revised accordingly.

This rating report should be read in conjunction with Agusto & Co.'s Rating Report for Infrastructure Credit Guarantee Company Limited.

GUARANTOR'S FINANCIAL SUMMARY

Infrastructure Credit Guarantee Company Limited

	BALANCE SHEET AS AT	31 December 2021 ₦'millions		31 December 2022 ₦'millions		31 December 2023 ₦'millions	
	ASSETS						
1	Cash & Equivalents	1,760	1.2%	2,961	1.4%	2,524	0.7%
2	Government Securities	58,936	39.5%	67,570	32.7%	129,985	35.4%
3	Placements with Financial Institutions			3,358	32.7%	5,178	35.4%
4	Other Debt Securities	7,806		4,727	1.6%	27,297	1.4%
5	Quoted/Equity Investments (Net)						
6	**CASH & MARKETABLE SECURITIES**	**68,502**	**40.7%**	**78,617**	**35.8%**	**164,984**	**37.5%**
7	Net Guarantee Fees Receivable	4,559	3.1%	6,521	3.2%	8,675	2.4%
8	Other Assets	611	0.4%	807	0.4%	1,236	0.3%
9	Fixed Assets and Intangibles	445	0.3%	460	0.2%	540	0.1%
10	**TOTAL ASSETS**	**74,117**	**49.7%**	**86,405**	**41.9%**	**175,434**	**47.8%**
11	**TOTAL COMMITMENTS**	74,946	50.3%	120,003	58.1%	191,840	52.2%
12	**TOTAL ASSETS & COMMITMENTS**	**149,063**	100.0%	**206,408**	100.0%	**367,274**	100.0%
	CAPITAL & LIABILITIES						
13	TIER 1 CAPITAL (CORE CAPITAL)	**37,503**	**25.1%**	**43,845**	**21.2%**	**92,940**	**25.3%**
14	TIER 2 CAPITAL	30,333		32,987		68,107	
15	TOTAL OTHER LIABILITIES	6,579	4.4%	9,574	4.6%	14,387	3.9%
16	**TOTAL CAPITAL & LIABILITIES**	74,415	29.5%	86,405	25.9%	175,434	29.2%
17	TOTAL COMMITMENTS	74,946	50.3%	120,003	58.1%	191,840	52.2%
18	**TOTAL CAPITAL, LIABILITIES & COMMITMENTS**	**149,362**	100.2%	**206,408**	100.0%	**367,274**	100.0%

Infrastructure Credit Guarantee Company Limited

	INCOME STATEMENT FOR THE YEAR ENDED	31 December 2021 ₦'millions		31 December 2022 ₦'millions		31 December 2023 ₦'millions	
19	Guarantee Fee Income	1,251	23%	1,950	21%	3,514	7%
20	Guarantee Fee Expense	(224)	-4%	(298)	-3%	(642)	-1%
21	Impairment Charge	-		-		-	
22	**NET GUARANTEE FEE**	**1,027**	**19%**	**1,652**	**18%**	**2,872**	**6%**
23	Investment Income	2,658	48%	3,155	35%	4,891	10%
24	Other Income/Expenses	1,597	29%	4,024	44%	42,748	84%
25	**OPERATING INCOME**	**5,281**		**8,831**		**50,511**	
26	Personnel Expenses	(961)	(17%)	(1,480)	(16%)	(2,059)	(4%)
27	Depreciation Expenses	(109)	(2%)	(108)	(1%)	(133)	(0%)
28	Other Operating Expenses	(744)	(14%)	(965)	(11%)	(1,272)	(2%)
29	**TOTAL OPERATING EXPENSES**	(1,814)	(33%)	(2,552)	(28%)	(3,464)	(7%)
30	PROFIT (LOSS) BEFORE TAXATION	**3,467**	**63%**	**6,279**	**69%**	**47,047**	**92%**
31	Tax (Expense) Benefit	**(25)**		**64,135**		**(668)**	
32	PROFIT (LOSS) AFTER TAXATION	**3,443**	63%	**6,343**	69%	**46,379**	92%
33	**NET REVENUE**	**5,281**		**8,831**		**50,511**	
34	NON-OPERATING INCOME (EXPENSE) - NET						
	ADDITIONAL INFORMATION						
35	Type of institution	**DGGI**		**DGGI**		**DGGI**	
36	Auditors	KPMG		KPMG		KPMG	
37	Opinion	Clean		Clean		Clean	
36	Number of offices	1		1		1	
37	Contingent Capital (₦'millions)	10,875		19,075		22,475	
38	Callable Capital (₦'millions)	-		-		-	
39	Realisable capital (₦'millions)	48,378		62,920		115,415	

Infrastructure Credit Guarantee Company Limited

	KEY RATIOS	31 December 2021	31 December 2022	31 December 2023
	PROFITABILITY RATIOS			
40	Return on average assets	2.7%	3.5%	16.4%
41	Return on average equity	10.0%	15.4%	68.8%
42	Impairment Charge/Guarantee Fees	NIL		
43	Operating expenses/Operating Income	34.3%	28.9%	6.9%
44	Gross revenue/Total assets & contingents (average)	4.3%	5.1%	17.8%
45	Income Investments/Average Investments	4.1%	4.3%	4.0%
	LIQUIDITY RATIOS			
46	Liquid Assets/Future Commitments	91.4%	65.5%	86.0%
47	Liquid Assets/Long Term Debts	225.8%	238.3%	242.2%
48	Liquid Assets/Total Assets	46.0%	38.1%	44.9%
	ASSET QUALITY RATIOS			
49	PERFORMING GUARANTEES (₦'millions)	74,946	120,003	191,840
50	NON-PERFORMING GUARANTEES	NIL	NIL	NIL
51	TOTAL GUARANTEES	74,946	120,003	191,840
52	Non-Performing Guarantees/Guarantees	NIL	NIL	NIL
53	Impairment Charge/Total Guarantee	NIL	NIL	NIL
54	Impairment Charge/Non-performingGuarantees	NIL	NIL	NIL
55	Investment loss provision/Investments	NIL	NIL	NIL
	CAPITAL ADEQUACY			
56	Core Capital (₦'millions)	37,503	43,845	92,940
57	Equity Cushion	46%	37%	44%
58	Outstanding Guarantees + Net investments /Realizable Capital	155%	191%	166%
59	Adjusted capital + Provisions/ Gross Guarantees+ Investments	105%	80%	96%
	LEVERAGE RATIOS			
60	Guarantees/Core Capital (times)	2.00	2.74	2.06
61	Guarantees/Total Capital	0.95	1.25	1.05
	STAFF INFORMATION			
62	Average number of employees	25	28	32
63	Operating Income per staff (₦'millions)	211	315	1,578

INFRACREDIT			
KEY RATIOS	**31 December 2021**	**31 December 2020**	**31 December 2019**
PROFITABILITY RATIOS			
Return on average assets and commitments	2.7%	2.7%	1.8%
Return on average equity	10.0%	9.7%	5.8%
Impairment Charge/Guarantee Fees		NIL	NIL
Operating expenses/Operating Income	34.3%	39.4%	48.2%
Gross revenue/Total assets & contingents (average)	4.3%	4.5%	3.6%
Income Investments/Average Investments	3.9%	2.9%	4.0%
LIQUIDITY RATIOS			
Liquid Assets/Future Commitments	91.8%	143.7%	133.7%
Liquid Assets/Long Term Debts	226.8%	213.8%	181.8%
Liquid Assets/Total Assets	46.1%	56.6%	54.7%
ASSET QUALITY RATIOS			
PERFORMING GUARANTEES	74,946,465	42,561,819	31,500,000
NON-PERFORMING GUARANTEES	NIL	NIL	NIL
TOTAL GUARANTEES	74,946,465	42,561,819	31,500,000
Non-Performing Guarantees/Guarantees	NIL	NIL	NIL
Impairment Charge/Total Guarantee	NIL	NIL	NIL
Impairment Charge/Non-performingGuarantees	NIL	NIL	NIL
Investment loss provision/Investments	NIL	NIL	NIL
CAPITAL ADEQUACY			
Core Capital	37,503,433	32,004,252	18,739,085
Equity Cushion	45%	56%	54%
Outstanding Guarantees + Net investments /Realizable Capital	155%	101%	113%
Adjusted capital + Provisions/ Gross Guarantees+ Investments	105%	167%	162%
LEVERAGE RATIOS			
Guarantees/Core Capital (times)	2.00	1.33	1.68
Guarantees/Total Capital	0.95	0.60	0.62
STAFF INFORMATION			
Average number of employees	26	26	22
Operating Income per staff (N'000)	203,134	156,498	92,379

RATING DEFINITIONS

Aaa	Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner.
Aa	High-quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.
A	Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on local currency debt in a timely manner.
Bbb	Satisfactory quality debt with moderate credit risk; adequate capacity to pay returns and principal on local currency debt in a timely manner.
Bb	Below average quality debt with moderate to high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
B	Weak quality debt with high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
C	Very weak capacity to pay returns and principal. Debt instrument with very high credit risk.
D	In default.

Rating Category Modifiers

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

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