Quest
MERCHANT BANK

Rooted in Trust.

Redefining Possibilities

2025 ANNUAL REPORT

Quest Merchant Bank Limited
www.questmb.com

Transition and Name Change

FBNQuest Merchant Bank Limited is now

Quest Merchant Bank Limited

Subsequent to the financial year ended December 31, 2025, the Bank received regulatory approval to change its legal name from FBNQuest Merchant Bank Limited to Quest Merchant Bank Limited.

This change was necessary to reflect the change in ownership following the completion of the divestment by First HoldCo Plc of its 100% shareholding in the Bank to EverQuest Acquisition LLP in November 2025. The name change represents a pivotal moment in the Bank's history, signalling renewed ambition and confidence in its future direction.

The name change does not alter the Bank's legal status, management structure, or business operations. Quest Merchant Bank Limited remains a fully licensed merchant bank regulated by the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission (SEC), and continues to provide the full suite of Corporate and Investment Banking, Wealth Management, and Global Markets.

Quest MERCHANT BANK

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of **QUEST MERCHANT BANK LIMITED** will hold in the Company's Board Room, No. 2, Broad Street, Lagos on **Thursday, May 21, 2026, at 11.00am** to transact the following businesses:

Ordinary Business:

1. To receive the Bank's Audited Financial Statements for the year ended December 31, 2025, the Report of the Directors, External Auditors, Board Audit Committee, and Board Evaluation Consultants thereon.

2. To declare a dividend.

3. To elect the following directors who were appointed since the last General Meeting:
    a. Mrs. Uzoamaka Nwani, Independent Non-Executive Director
    b. Mr. Olufunmilayo Lewis, Executive Director
    c. Mr. Kayode Akinkugbe, Non-Executive Director

4. To re-elect Directors retiring by rotation.

5. To authorise the Directors to fix the remuneration of the external Auditors for the 2026 Financial Year.

6. To disclose the remuneration of managers of the Bank in line with the provisions of Companies and Matters Act (CAMA) 2020.

Special Business:

7. To consider and, if thought fit, pass as a special resolution, the amendment of the Memorandum and Articles of Association of the Company as set out in the enclosed Explanatory Memorandum.

BY ORDER OF THE BOARD

TOLULOPE ADETUGBO
COMPANY SECRETARY

2, Broad Street,
Lagos Island,
Lagos

Notes

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

To be valid, the instrument of proxy attached to this notice must be completed, stamped, and returned to the Company Secretary not later than 48 hours prior to the time of the Meeting.

VIRTUAL PROCEEDINGS

The Annual General Meeting will also be held virtually. As a result, members and stakeholders would be able to participate in the proceedings via a Zoom link which will be provided to members and stakeholders before the date of the meeting.

DIVIDEND PAYMENT

If approved, only shareholders of the Bank as at December 31, 2025 shall be eligible for dividend.

Explanatory Memorandum

Amendments to the Memorandum & Articles of Association of Quest Merchant Bank Limited

a. That the Memorandum and Articles of Association of the Company be amended to delete the names of the former subscribers and to include the names, addresses, and descriptions of the new subscribers/shareholders post recapitalisation as mandated by the Central Bank of Nigeria.

b. That Article 3a of the Memorandum of Association of the Company be amended by the insertion of the following provision to replace the current provision:

> *"To engage in deposit taking business in an amount not below the minimum prescribed by the Central Bank of Nigeria ("CBN") from time to time, and to operate and maintain banking accounts for customers on such terms as may be deemed expedient."*

c. That Article 3d of the Memorandum of Association of the Company be amended by the insertion of the following provision to replace the current provision:

> *"To carry out all capital market related activities, including acting as issuing house, or otherwise manage, arrange or coordinate the issuance of securities, for or on behalf of any person, subject to the provisions of Banks and Other Financial Institutions, 2020 (BOFIA) or as may be amended, the guidelines and circulars of the CBN, and as may be permitted by the Securities and Exchange Commission (SEC) from time to time."*

d. That Article 6 of the Memorandum of Association of the Company be amended by the insertion of the following provision to replace the current provision:

> *"The Issued Share Capital of the Company is N8,113,487,397 (Eight Billion, One Hundred and Thirteen Million, Four Hundred Eighty-Seven Thousand, Three Hundred and Ninety-Seven Naira) divided into 8,113,487,397 Ordinary Shares of N1.00 each. The Shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively, preferential, deferred or other special rights, privileges, conditions or restrictions as to voting, dividend capital or otherwise."*

e. That Article 2(c) of the Articles of Association of the Company be amended by the insertion of the following provision to replace the current provision:

> *"The Chairman of Board Committees shall be nominated by respective Committees and appointed by the Board."*

f. That Article 2(d) of the Articles of Association of the Company be amended by the insertion of the following provision to replace the current provision:

> *"Without limitation to the ability of the Board of Directors from time to time to constitute other committees of the Board in accordance with the preceding provision, the Board shall constitute an Audit Committee which shall have such functions as may from time to time be provided by the CBN."*

Explanatory Memorandum (Cont'd)

g. That Article 3 of the Articles of Association of the Company be amended by the introduction of a new provision outlining Directors' general authority

"Introduction of a new provision outlining the Directors' general authority."

h. That Article 4(a) of the Articles of Association of the Company be amended by the insertion of the following provision to replace the current provision:

"Each Director shall have the power to nominate any other Director or any other person to act as alternate Director in their place, at any meeting of the directors at which they are unable to be present, and at their discretion, to remove such alternate Director. Upon such appointment being made, the alternate Director shall (except as regards the power to appoint an alternate) be subject in all respects to the terms and conditions existing with reference to the other Directors of the Company, and each alternate Director, whilst acting in the place of an absent Director, shall exercise and discharge of the Director they represents, but shall look to such Director solely for their remuneration as alternate Director."

i. That Article 4(b) of the Articles of Association of the Company be amended by the insertion of the following provision to replace the current provision:

"An alternate Director shall be entitled to attend and vote as Director at any meeting of the Board of Directors at which the Director their is an alternate to is not present, separate and distinct from the vote to which their is entitled in their own capacity as a Director of the Company where such alternate is already a Director of the Company. Any person appointed as an alternate Director shall vacate their office as such alternate Director if and when the Director by whom their has been appointed vacates their office as Director and at such meetings to exercise all powers, duties and authorities of that Director."

j. That Articles 5 - 11 of the Articles of Association of the Company be amended by the insertion of the following provisions:

"Introduction of new provisions, outlining the processes for:

i. Retirement by rotation
ii. Methods of appointing Directors
iii. Termination of Directors' Appointment
iv. Proceedings of Directors and General Meetings
v. Increase in Share Capital
vi. Share Buy-Back
vii. Share Capital Reduction."

k. That the Memorandum and Articles of Association of the Company be amended to correct technical, clerical and typographical errors, including updates to paragraph numbering, cross-references and formatting, to ensure consistency with the substantive amendments.

In This Report

01

At a Glance

Who We Are

Quest Merchant Bank is a full service Corporate and Investment Bank. We offer a diverse range of services, including Corporate & Investment Banking, Wealth Management, Global Markets and Facility Agency Services.

With a rich heritage in financial services and strong market presence, we have earned multiple awards through collaborations on key milestone transactions with clients. Our commitment is to generate sustainable value for all stakeholders and create a legacy for future generations.

Our Vision

We are committed to establishing our own standards, driven by a pioneering spirit that pushes boundaries and unleashes bold possibilities.

Our Misson

To be the Merchant Bank of Choice, Creating, Growing and Securing enduring wealth for our clients.

Our Structure

Our businesses provide financial services to a variety of customers across Corporate and Investment Banking, Wealth Management and Global Markets.

Coverage and Corporate Banking

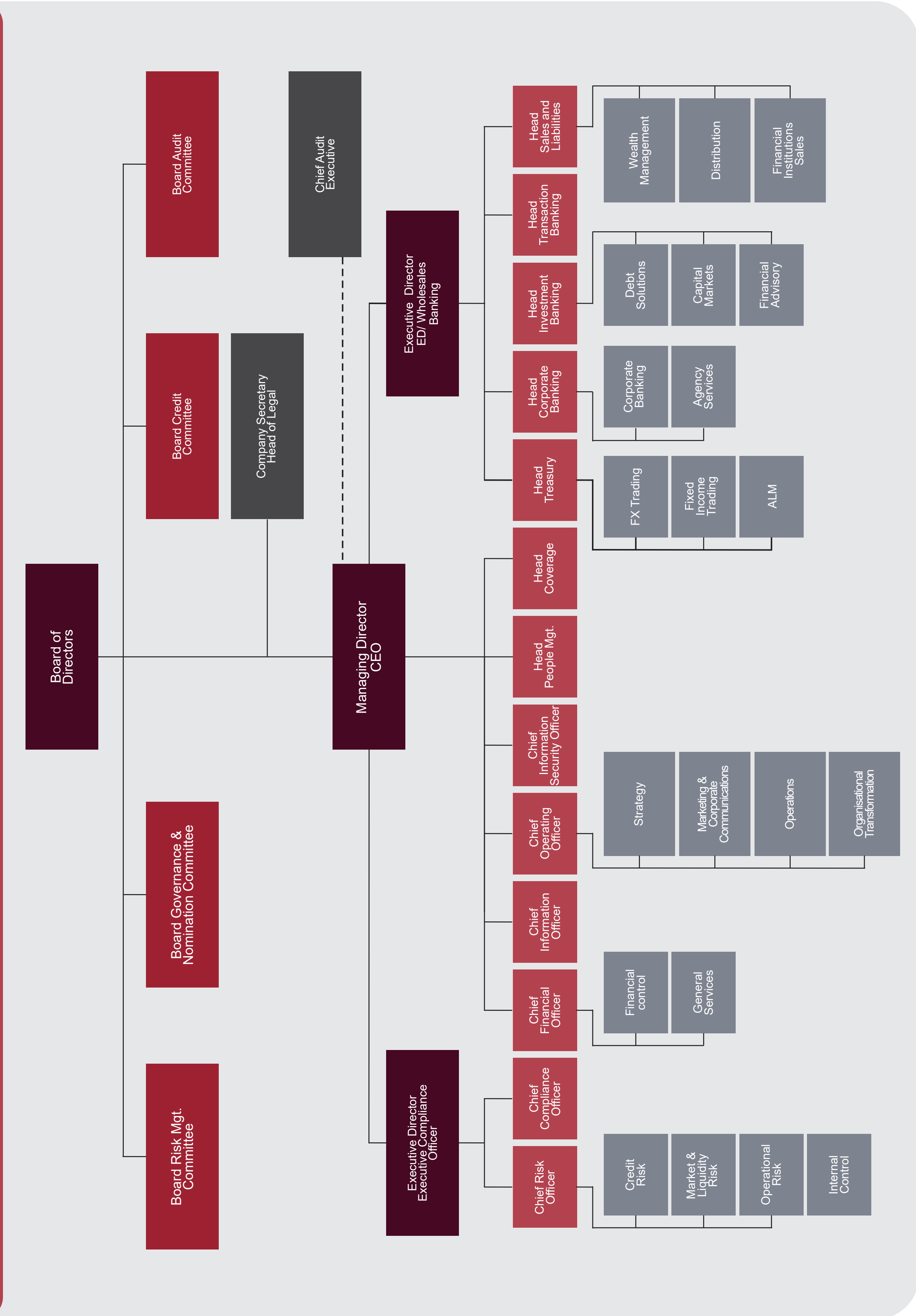
Investment Banking

Fixed Income, Currency & Treasury & Global Markets

Wealth Management

Agency Services

Quest Merchant Bank Limited - Organogram



Performance Highlights (Financial)

Profit Before Tax

The year-on-year growth in profit before tax was mainly driven by the 18.1% growth in operating income – driven mainly by the 79% growth in net interest income moderated by the increase in impairment charges, the marginal decline in non-interest income and the 12.7% increase in operating expenses which was largely driven by the impact of inflation and growth in regulatory costs.

Growth: 23.3%
- 2025: N15.91 billion
- 2024: N12.90 billion

Operating Income

The year-on-year growth in operating income was largely driven by the 79% growth in net interest income, moderated by the 1% decline in non-interest income, and the N3.92 billion increase in impairment charges in 2025.

The year-on-year growth in net interest income was mainly driven by the higher growth in interest income relative to interest expense largely on the back of growth in the Bank's investment securities volumes, improved yields and tighter control on funding cost.

The year-on-year decline in non-interest income is primarily due to the 88% drop in foreign exchange income in 2025 which was due to the nonrecurrence of the N3.3bn revaluation gains recorded following the devaluation of the Naira in 2024. The improvement in net gains on financial assets moderated the impact of the drop in foreign exchange income.

The increase in impairment charges in 2025 was mainly driven by acceleration of impairment charges on the Bank's non-performing loan following the cessation of the regulatory forbearance regime of the CBN in June 2025.

Growth: 18.1%
- 2025: N29.90 billion
- 2024: N25.32 billion

Performance Highlights (Financial)

Operating Expense

Operating expenses increased by 12.7% year-on-year, mainly due to the impact of inflation and increase in regulatory costs moderated by the Bank's cost optimisation initiatives in the year. Personnel costs increased by 10% while other operating expenses grew by 16% mainly because of the 75% increase in NDIC insurance premium – which was due to the growth in the Bank's qualifying deposit base.

Growth: 12.7%

- 2025: N14.00 billion
- 2024: N12.42 billion

Cost to Income Ratio

The cost-to-income ratio (CIR) improved year-on-year by 2.3 percentage points (pp), driven by the higher year-on-year growth in operating income relative to the increase in operating expenses in 2025.

Change: -2.3pp

- 2025: 46.80%
- 2024: 49.10%

Performance Highlights (Non Financial)

Talent Management

In 2025, the Bank continued to strengthen its talent development framework through targeted initiatives designed to enhance workforce capability and leadership effectiveness.

Technical learning interventions were organized for junior- to mid-level employees, focusing on developing critical competencies and functional skill sets required to support operational excellence across the organization.

In addition, Executive Management programmes were delivered to selected senior management staff to reinforce strategic leadership capacity and improve overall organizational efficiency.

Performance Management

In 2025, the Bank carried out a comprehensive review of its performance management framework to strengthen alignment with its evolving corporate objectives.

This initiative focused on standardizing Key Performance Indicators (KPIs) across the Bank to drive consistency, accountability, and improved productivity.

To further reinforce a high-performance culture, the Bank implemented continuous performance check-ins for all employees, enabling timely feedback and ongoing development.

In addition, full-year performance appraisals were conducted for eligible employees across all levels, supporting a more structured and transparent evaluation process while promoting sustained employee engagement and performance excellence.

Reward and Recognition

In 2025, the Bank reinforced its commitment to recognizing and celebrating employee contributions through a range of awards and recognition initiatives.

The Long Service Awards were successfully delivered, honouring employees who achieved key milestone years of service and acknowledging their dedication and loyalty to the Bank. Furthermore, the Bank recognized employees who demonstrated a commitment to continuous professional development by attaining notable additional certifications.

This initiative underscores the Bank's focus on fostering a culture of learning, growth, and excellence across all levels.

Accolades

2025 MSME Finance and Non-Oil Export Awards.

Great Place to Work in Banking 2025.

Strategic Growth Champion of the Year at the 2025 BusinessDay and Other Financial Institutions Awards.

02

Strategic Report

Chairman's Statement

Distinguished Shareholders,
Fellow Board Members,
Esteemed Stakeholders,

It is my pleasure to present to you the Audited Financial Statements of Quest Merchant Bank Limited, (formerly FBNQuest Merchant Bank) ("the Bank") for the financial year ended December 31, 2025. In a year defined by significant global shifts and bold domestic reforms, our Bank has demonstrated remarkable resilience and achieved a milestone performance that underscores the soundness of our strategy and an unwavering commitment to prudent governance.

Following regulatory approvals in late 2025, the acquisition of the Bank by Everquest Acquisition LLP was completed. This marks a new phase in Bank's history as an independent institution, with a diversified market reach.

The Bank has continued to function effectively and in line with regulatory requirements, with no structural or operational changes following the acquisition; changes to the constitution of the Board will however be announced in due course.

> 2025 was characterized by significant economic adjustments, evolving monetary conditions,heightened geopolitical tensions and persistent market volatility across both advanced and emergingeconomies.

Mallam
Bello Maccido
Chairman, Quest Merchant Bank Limited

Chairman's Statement (cont'd)

Global & Domestic Landscape

2025 was characterized by significant economic adjustments, evolving monetary conditions, heightened geopolitical tensions and persistent market volatility across both advanced and emerging economies. Despite these challenges, the global economy demonstrated resilience, supported by moderating inflation in several jurisdictions, gradual monetary policy recalibration and improving investor confidence in selected frontier and emerging markets. However, elevated interest rates, supply chain disruptions, geopolitical uncertainties and cautious capital flows continued to shape the operating environment for financial institutions worldwide.

Within Nigeria, the economy navigated a complex but reform driven landscape. Fiscal and monetary authorities sustained measures aimed at restoring macroeconomic stability, deepening foreign exchange market reforms and strengthening investor confidence. Although inflationary pressures, exchange rate volatility and high interest rates persisted through much of the year, encouraging signs of stabilization gradually emerged.

Against this background, the Nigerian banking industry once again demonstrated resilience, adaptability and strategic relevance to the economy. The sector benefited from elevated yields, robust transactional volumes, accelerating digital adoption and improved non-interest income generation. At the same time banks operated within a more demanding regulatory environment characterized by heightened prudential oversight, evolving capital requirements, tighter liquidity conditions and increased expectations around governance, risk management and financial system stability.

Financial Performance

Notwithstanding the headwinds, the Bank delivered an outstanding performance reflecting the strength of our business model, disciplined execution strategy, prudent risk management culture, and unwavering commitment to client service excellence. We achieved strong growth across most of our core business lines, improved profitability and enhanced balance sheet resilience.

This was driven by a diversified earnings base, strong treasury performance, growth in interest income, disciplined cost management, operational efficiency and continued expansion of strategic client relationships. We also maintained strong asset quality metrics and robust liquidity positions notwithstanding prevailing macroeconomic pressures. Our proactive approach to risk identification, stress testing, and portfolio monitoring continued to protect shareholder value.

Governance

Strong corporate governance remained central to the Bank's performance in 2025. Board oversight was enhanced through regular strategy sessions, and particular attention was devoted to credit risk management, liquidity preservation, cybersecurity resilience, regulatory compliance and operational continuity.

Our governance structures supported agile decision-making, whilst maintaining robust internal controls.

Chairman's Statement (cont'd)

Our strong governance frameworks have been particularly important in the context of the Bank's recapitalization exercise. These structures have provided the clarity and transparency necessary to attract investors, enhancing confidence in the Bank's financial position and strategic direction.

During the year, the Bank advanced its integration of environmental, social, and governance (ESG) considerations into its operations and credit processes in recognition of the increasing importance of sustainable finance and responsible corporate citizenship. We remain committed to responsible banking practices that balance profitability with long-term societal impact.

The Board continued its practice of conducting an independent assessment of the Board. The 2025 Board Evaluation Report confirmed that the Board gives preference to leading corporate governance practices. A copy of the Board appraisal report conducted by PriceWaterhouse Coopers (PWC) in respect of the 2025 financial year will be presented to shareholders at the 11th Annual General Meeting.

Board Composition and Committees

The following Directors were appointed to the Board effective December 30, 2025:

- Mr. Oluwole Oshin (Non-Executive Director)
- Mr. Adeniyi Falade (Non-Executive Director)
- Mr. Yusuf H. Abubakar (Independent Non-Executive Director)

No other changes were made to the Board in the course of the year.

The Board continued to be supported by four (4) Board Committees, some of whose memberships were rotated as necessary to ensure balanced and adequate representation in line with leading governance practices.

Outlook

The outlook for 2026 remains positive. We will continue to focus on disciplined growth, strategic consolidation, innovation and continued investment in our people, technology and client service capabilities. The Board will remain focused on sustaining profitability, strengthening resilience and delivering superior long-term value to shareholders.

Conclusion & Acknowledgements

I would like to thank my fellow directors, whose exemplary leadership has set the Bank on a positive growth trajectory.

I would also like to acknowledge the collective efforts of the Management team and employees, for their professionalism, expertise and commitment which has continued to drive the Bank's success.

Finally, I extend my appreciation to our customers, regulators and other stakeholders for your trust and partnership.

I look forward to a successful and rewarding financial year in 2026.

Mallam Bello Maccido
Chairman
Quest Merchant Bank Limited

Managing Director's Review

2025 was shaped by an evolving macroeconomic environment, even as we remained firmly committed to strengthening our position as a leading merchant bank and optimising our franchise for long-term growth.

Globally, the operating environment in 2025 was shaped by heightened macroeconomic uncertainty, elevated interest rates, and ongoing geopolitical risks.

These global dynamics continued to influence capital flows, commodity markets, and overall investor sentiment, as major central banks—including the US Federal Reserve and the European Central Bank—maintained a cautious policy stance in response to ongoing price pressures and external shocks.

On the domestic front, macroeconomic conditions reflected improving stability alongside the continued implementation of structural reforms. Headline inflation trended downward over the course of the year, declining from 27.6% in January to 15.2% by December 2025, supported by base effects, exchange rate stabilisation, and moderating cost pressures.

The naira recorded a modest appreciation of approximately 3% to ₦1,435.76/US$, a notable improvement relative to the sharp depreciation experienced in the preceding year.

Economic activity strengthened modestly, with GDP growth improving to 3.9%, up from 3.5% in 2024.

> Following regulatory approval in November 2025, the Bank's divestment to a shareholder group led by Custodian Investment Plc was successfully completed

Afolabi Olorode
Acting Managing Director,
Quest Merchant Bank Limited

Managing Director's Review (Cont'd)

This expansion was driven primarily by sustained growth in the services sector, particularly telecommunications, financial services, and technology-enabled segments, alongside a stronger recovery in the oil sector, supported by improved production levels following enhanced security measures and reduced pipeline disruptions.

Following regulatory approval in November 2025, the Bank's divestment to a shareholder group led by Custodian Investment Plc was successfully completed, with the Bank subsequently attaining the ₦50bn minimum capital requirement ahead of the 31 March 2026 deadline, significantly strengthening its regulatory position.

Against this backdrop, our key focus has remained on executing our strategic priorities, with a clear emphasis on deepening our investment banking franchise, strengthening client relationships, and enhancing our execution capabilities across key business segments. Our approach throughout the period has been to balance cost-discipline with growth, ensuring that we remain responsive to evolving market conditions while positioning the Bank to capture emerging opportunities.

The steps taken during the year have further strengthened our platform, enabling us to deliver sustainable value to our stakeholders while laying a solid foundation for future growth.

Financial and Non-Financial Highlights

Despite the evolving operating environment, the Bank delivered a solid financial performance in FY 2025, with gross earnings increasing by 28% year-on-year to ₦80.8 billion. This growth was driven primarily by a 67% rise in net interest income, reflecting stronger asset yields.

Non-interest income also recorded modest growth, supported by improved trading activity, although moderated by the absence of non-recurring foreign exchange gains recorded in 2024.

Consequently, net revenue expanded by 16%. Operating expenses rose by 16%, reflecting inflationary pressures and higher staff costs; however, cost growth remained contained relative to revenue, resulting in improved operating efficiency, with the cost-to-income ratio declining to 46.9%, from 49.1% in 2024.

Overall profitability remained strong, with profit before tax expanding by 20% year-on-year, underscoring the resilience of the Bank's core earnings and disciplined cost management.

Awards

- Strategic Growth Champion of the Year BusinessDay
- MSME Trade Finance & Non-oil Export Merchant Bank of the Year
- Great Place to Work in Banking 2025

People:

We continued to strengthen our human capital capabilities through a range of development initiatives and strategic workforce interventions aimed at reinforcing the Bank's readiness for sustained growth.

We delivered focused technical learning interventions and executive development programmes to enhance leadership capacity and deepen expertise across key areas of the business.

Managing Director's Review (Cont'd)

We also advanced our talent agenda through targeted recruitment across priority functions, while further refining our performance management framework to strengthen alignment with corporate objectives and promote a culture of accountability and high performance.

In addition, we sustained focus on employee engagement and recognition, fostering a more supportive and performance-driven work environment in line with our commitment to long-term institutional growth.

Technology:

The Bank's technology agenda in 2025 was anchored on enhancing operational efficiency, strengthening system resilience, and delivering a more seamless client experience. These priorities were executed through the following initiatives:

- The client relationship management platform was enhanced and stabilised, improving service delivery and strengthening coordination across business units.
- Instant payment capabilities were fully deployed, enabling faster and more efficient transaction processing for clients.
- Financial authentication processes were improved, enhancing the security and integrity of digital transactions.
- Further progress was made on key initiatives to improve payments and settlement capabilities, including enhancements to cross-border payment infrastructure, alongside the rollout of virtual account solutions, electronic invoicing, and upgraded anti-money laundering systems.

Corporate Social Responsibility:

In line with our commitment to sustainable business practices, we continued to partner with key organisations to deliver targeted initiatives focused on community development and social inclusion.

These included participation in financial literacy programmes such as Global Money Week and World Savings Day, as well as collaborations with the Boys to Men Foundation and the Bethesda Foundation to support youth development and health-focused interventions.

We also extended our engagement to initiatives supporting inclusive education and neurodiversity, through our partnership with the Simone's Oasis Foundation. In addition, initiatives such as the EPIC Walk, grassroots sports programmes, and broader health awareness campaigns reinforced our commitment to educational support, well-being, and inclusive community development.

Outlook

The outlook for 2026 is expected to be shaped by ongoing macroeconomic recalibration, evolving global conditions, and the continued implementation of domestic reform measures.

While recent gains in disinflation have improved near-term stability, emerging geopolitical tensions—particularly developments in the Middle East—are contributing to renewed inflationary pressures and heightened uncertainty in global markets.

Managing Director's Review (Cont'd)

Nonetheless, the sustained reform agenda is expected to strengthen the operating environment, supporting growth across key sectors of the economy.

As the first year of our 2026–2030 strategic growth plan, the focus will be on establishing a strong foundation for long-term growth. The Bank's enhanced capital position, following successful recapitalisation, provides a solid platform to pursue emerging opportunities while maintaining resilience in a dynamic environment.

Our strategic priorities will centre on focused execution, including deepening client relationships, strengthening our talent pipeline, and expanding our capabilities across core business lines.

We will also accelerate the deployment of technology-driven and digital solutions to enhance efficiency, improve service delivery, and support innovation.

In this regard, we will continue to engage proactively with regulators to ensure full compliance while positioning the Bank to capture opportunities arising from ongoing government reforms.

We remain confident in the Bank's strategic direction and our ability to deliver sustainable growth and long-term value for all stakeholders.

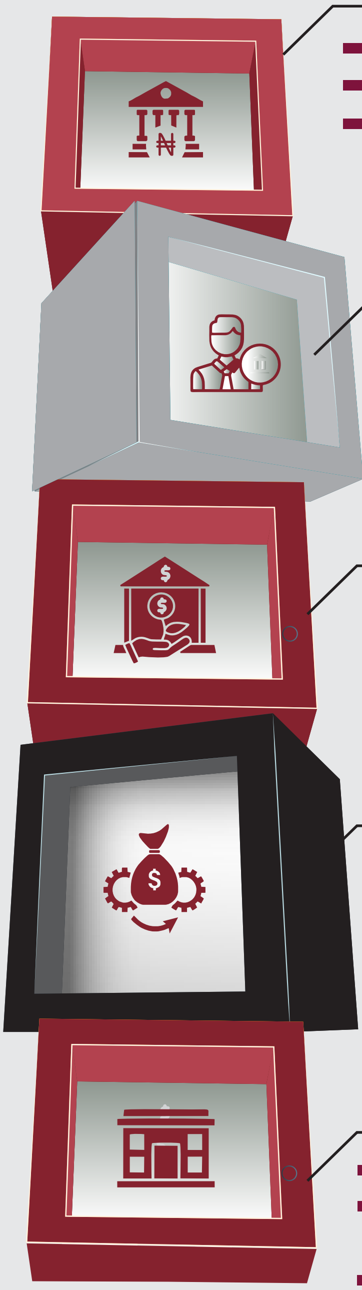
Afolabi Olorode
Acting Managing Director
Quest Merchant Bank Limited

Business Model

Quest Merchant Bank Plc is a full-service wholesale investment bank licensed by the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission (SEC). We offer a diverse range of services, including Corporate and Transaction Banking, Investment Banking, Financial Institutions Sales, Treasury Services, Wealth Management, and Facility Agency Services.

We are committed to providing innovative banking and investment solutions for our diverse customer base, comprising governments, financial institutions, corporates, high-net-worth individuals, and a range of retail clients.

We create and deliver value for our clients and shareholders by raising funds, providing financial advisory services, managing assets, and investing alongside our clients.



Coverage and Corporate Banking

- Liability Products
- Trade Services
- Loans and Credit Products

Agency Services

Facility Agents on syndicated lending transactions, club deals and project finance transactions

Investment Banking

- Capital Markets
- Equity & Debt Solutions
- Financial Advisory

Wealth Management

Tailored wealth preservation, portfolio diversification, and wealth transfer solutions for high-net-worth individuals and corporate institutions.

Treasury

- Wealth Management
- Financial Institutions Sales & Liability Solutions
- Asset and Liability Management
- Fixed Income Treasury Bills
- Fixed Income FGN Bonds
- Foreign Exchange
- Correspondent Banking

Business Model (cont'd)

Our Clients:
Large and mid-tier corporates, governments, institutional investors, ultra-high-net-worth individuals, high-net-worth individuals, family offices, affluent and retail clients

Our Locations:
Lagos, Port Harcourt, and Abuja

Our strong heritage, deep local insights, and experienced team position us competitively within the merchant banking space.

Our broad product suite enables us to meet the diverse needs of our clients, while our customer-centric approach allows us to anticipate and respond effectively to evolving client requirements.

The Bank continues to adapt to a dynamic operating environment as it advances its strategic ambition of becoming a leading merchant bank.

Investment Banking:

We provide strategic advisory services across various sectors and arrange tailor-made financing solutions through the Bank and capital markets to help businesses grow.

Coverage and Corproate Banking:

We offer a full range of wholesale banking services (lending, trade services and transaction banking) to medium-sized and large institutions.

Treasury:

The Treasury Team fuses market knowledge and trading strategies to help our clients achieve their financial goals, while the Wealth Management and Financial Institutional Sales Teams manage the investment portfolios for ultra-high-net-worth and high-net-worth individuals and a broad segment of investors, including Pension Fund Administrators, insurance companies, banks, financial institutions, local and offshore portfolio managers and cooperative societies.

Agency Services:

We serve as the primary point of contact between transaction parties to a syndicated loan, managing communication between parties, handling the flow of funds and providing ongoing transaction support.

Operational Review

The Operations department, comprising of Trade Services, Payments, Treasury Operations, Customer Experience and Quality Assurance & IT Projects, is responsible for ensuring all the Bank's transactions are processed efficiently. The department's activities minimise overall processing risks and enhance the quality of customer service delivery and revenues. The department is also responsible for identifying optimisation gaps and working with relevant stakeholders to deploy the right technologies and solutions to improve operational efficiency and productivity, optimise costs and enhance revenue.

A. Trade Services and Correspondent Banking

The Trade Services and Correspondent Banking team is responsible for processing import and export trade transactions for the Bank. Their services include registering items for import and export and facilitating trade correspondence with offshore banks by issuing trade instruments, including Letters of Credit, Bills for Collection and Offshore Bank Guarantees. The unit works with various business teams to engage target customers towards processing eligible trade transactions.

The Trade Services team works with the Treasury, Coverage and Corporate Banking divisions to source foreign exchange for the settlement of offshore trade. The team includes the Correspondent Banking function, which liaises with offshore banks to facilitate Trade Finance transactions. The team is also responsible for control checks in line with the CBN Foreign Exchange guidelines. The team periodically attends to the regulators scheduled spot-check and audits.

B. Payments

The Payments Unit is responsible for processing local transfers and payments on behalf of Quest Merchant Bank. The unit plays a vital role in ensuring the seamless execution of financial transactions and maintaining operational integrity across payment channels.

Core Responsibilities:

- Execution of internal and external funds transfers and payment requests;
- Booking of invoices, income recognition, and receipt of funds;
- Identification and confirmation of daily inflows in collaboration with Relationship Managers;
- Posting of financial transactions;
- Cheque processing and clearing;
- Reconciliation of local correspondent bank accounts;
- Ongoing collaboration with internal stakeholders to enhance process efficiency and service delivery.

The unit's operations are guided by a strong commitment to accuracy, timeliness, and compliance, contributing significantly to the Bank's overall operational performance.

C. Treasury Operations

The unit ensures timely processing and accurate settlement of all counter-party trades. It also supports our Fixed Income, Currencies and Treasury business and carries out the following functions:

- Settlement of bonds trades, both Federal Government and non-Federal Government bonds;
- Settlement of Treasury Bills and Open Market Operations;
- Settlement of Foreign Exchange transactions and transfers;
- Settlement of Eurobond transactions;
- Settlement of money market - Naira transactions;
- Reconciliation of securities position;
- Reconciliation of foreign currency and money market – Naira positions;
- Rendition of all regulatory returns;
- Regulatory engagements; and
- Liaising with and attending to external and internal auditors.

D. Customer Experience Team

The Customer Experience Team plays a critical role as the interface between the Bank and its customers, championing service excellence across all touchpoints. The team is responsible for enhancing customer satisfaction, driving operational efficiency, and ensuring consistent, high-quality service delivery throughout the customer lifecycle.

Operating across three key client-facing functions within the Operations Division, the team is structured to support seamless engagement, prompt issue resolution, and regulatory compliance.

Customer Service Function

This unit is responsible for onboarding customers in line with applicable regulatory requirements and the Bank's Standard Operating Procedures (SOPs). It serves as the primary point of contact for handling both internal and external customer enquiries, collaborating with relevant stakeholders to ensure prompt resolution and feedback. In addition, the unit is tasked with rendering accurate reports to regulatory bodies and internal teams.

Key Responsibilities:

- Customer account opening and documentation;
- Management and maintenance of the customer database;
- Cheque book issuance for operative accounts;
- Account referencing and signature verification;
- E-banking profile administration;
- Preparation and submission of regulatory returns.

Customer Care Function

The Customer Care Unit is responsible for providing accurate and timely information on the Bank's products and services while ensuring the prompt resolution of customer complaints with strict adherence to confidentiality standards. This unit includes the front desk officers and serves as a direct support channel for day-to-day customer interactions.

Customer care services are delivered through multiple touchpoints to ensure accessibility and convenience, including:

- Walk-in centres;
- Email correspondence;
- Bank website;
- Telephone support;
- Social media platforms;
- Understand standard TAT requirements for all operations processes of the bank;
- Understand all Operations activities and standard process requirement;
- Monitor process feedback from Operations Units for all stages of settlement transactions i.e. Manual and Automated Processes;
- Ensure absolute Control and Standard Best Practice.

Contact Centre

The Contact Centre manages the Bank's inbound and outbound communication channels, serving as a key driver of customer engagement and service continuity. The unit plays a proactive role in addressing customer needs while supporting business growth initiatives.

Core Functions:

- Responding to and resolving customer enquiries, service requests, and complaints;
- Promoting and cross-selling relevant banking products and services;

- Monitoring and following up on unresolved issues, with escalation to appropriate teams or Relationship Managers as needed;
- Logging and documenting all customer interactions to ensure transparency and service continuity;
- 24/7 Contact Centre enhancement to strengthen operational efficiency and improve fraud risk management in real-time in support of the Fraud Desk Unit.

Through its operations, the Customer Experience Team ensures that customer interactions remain efficient, responsive, and fully compliant with industry standards. Together, these units reinforce the Bank's commitment to delivering seamless, responsive, and customer-centric service across all interaction channels. The 24/7 operational enhancement positions the Contact Centre as a critical component of the organisation's fraud management framework.

Quality Assurance & IT Projects
The Quality Assurance & IT projects unit is responsible for the development, implementation, and monitoring of Operations IT Projects, control and quality assurance processes. This includes oversight of systems development life cycles, testing, and ensuring the reliability and functionality of technology solutions that support operational efficiency as well as standardizing industry best practice.

Key Responsibilities:
- Controls & Standardised processes;
- Audit Readiness & Risk Monitoring;
- Automation & Continuous Improvement;
- Risk Management & Mitigation;
- Quality Assurance & Testing;
- Project Oversight.

Information Technology

Information Technology

Information technology was a major enabler in achieving the Bank's objective. It focused on its strategic intent of curbing technology challenges by stabilising the technology platform. This was achieved by ensuring delivery across the following measures of success:

Optimal Infrastructure Availability, Resilience, and Security

Expansion of infrastructure capacity and redundancy with new Dell server nodes and projected implementation of Cisco Application Centric Infrastructure (ACI) to stay ahead of cutting-edge technologies.

Also, as part of the divestment drive, IT completed user migration with minimal service disruption, which established infrastructure resilience, thereby driving unmatched service reliability and business innovation.

Optimal Application Availability

Core Banking enhancements and critical Application upgrades were delivered to improve customer experience and security posture while ensuring regulatory compliance. In addition, the team executed successful backup and restore tests throughout the year and strengthened organizational resilience by conducting business continuity and failover exercises.

Omo Osemwegie
Chief Information Officer

Digital and Automation Agenda

Key initiatives delivered include upgrading the Quest instant payment application to add features and address vulnerabilities.

Enhancement of the Customer Relationship Management (CRM) for efficient complaint management. Deployment of the corporate internet banking application, which provided a platform for the bank's products and services through a unified user experience, resulting in increased engagement, customer growth, and brand visibility. Other in-flight digital enterprise initiatives include the launch of a new website, integration with the Pan-African Payment and Settlement System (PAPS), and Management information systems (MIS).

Global Best Practice Adoption

In 2025, the Bank advanced its digital transformation agenda through the implementation of the ISO 20022 standard, a globally recognized, data-rich messaging framework for financial transactions. This initiative enhances the speed, transparency, and efficiency of cross-border payments, positioning the Bank to better support evolving global financial ecosystems. The Bank also strengthened customer confidence by aligning its IT operations with internationally accepted best practices, including ISO 20000 standards. This alignment promotes a structured approach to IT service management, fostering a culture of continuous evaluation and ongoing improvement in service delivery across the Bank.

General Services

In 2025, the General Services Department strengthened its role as a key enabler of operational excellence, sustainability, and innovation across the Bank. The Department consolidated existing initiatives while introducing new programs aimed at improving efficiency, strengthening compliance, and delivering sustainable long-term cost savings. These efforts aligned with the Bank's broader strategic objectives and reinforced the department's contribution to business continuity, employee experience, and environmental stewardship.

Key Achievements in 2025

1. **Enhanced Vendor Engagement and Cost Optimization**
   - Strengthened vendor performance analytics to deliver improved pricing outcomes, service consistency, and compliance with contractual obligations;
   - Successfully hosted the 5th Annual Vendor Engagement Session, reinforcing compliance expectations, standardizing operational processes, and deepening strategic vendor relationships.

2. **Strengthened Sustainability Programs**
   - Sustained the paper reduction initiative through expanded use of automated workflows and the promotion of digital-first work practices;
   - Implemented structured employee sensitization and communication initiatives focused on waste reduction, recycling, and optimal use of office resources;
   - Deployed power optimization systems across Bank facilities to regulate the integration of multiple power sources, resulting in a 17.89% reduction in diesel-related carbon emissions.

3. **Corporate Social Responsibility (CSR) Expansion**
   - Launched the adoption and beautification of the Campbell/Outer Marina intersection, in collaboration with Lagos State Government, contributing to urban renewal and community development;

4. **Infrastructure Reliability Enhancements**
   - Continued the upgrade of the Bank facilities with modern, secure, and energy-efficient systems to improve operational resilience and cost efficiency;
   - Implemented periodic facility risk assessments to ensure adherence to safety standards, regulatory compliance, and business continuity requirements.

5. **Process Automation and Digital Transformation**
   - Expanded automation across service delivery workflows, reducing manual interventions, improving turnaround times, and enhancing overall user experience.

6. **Strengthening Health, Safety, and Environment (HSE) Culture**

- Rolled out Bank-wide HSE awareness programs supported by periodic training initiatives;
- Implemented strategic facility management systems to ensure all office locations remained accessible, secure, and environmentally compliant, in alignment with ESG principles and ISO 45001 occupational health and safety standards.

Strategic Functional Focus for 2026

Infrastructure and Facilities Management

Foster a strong maintenance culture and continuous enhancement of Bank infrastructure to ensure a modern, safe, functional, and sustainable work environment.

Procurement and Spend Management

Strengthen governance and procurement policies to ensure transparency and accountability.

Improve spend visibility to enable data-driven decision-making.

Advance strategic sourcing and vendor management practices to optimize costs and enhance supplier performance.

Health, Safety, and Environment (HSE)

Maintain a safe and healthy workplace by ensuring full compliance with all regulatory and environmental requirements while embedding sustainable practices across operations.

Yvonne Anakwe
Head, General Services

Logistics and Records Management

Implement sustainable logistics and digital records management initiatives to enhance efficiency, strengthen regulatory compliance, and achieve measurable reductions in carbon footprint and operational resource usage.

Capability and Culture Development

Deploy targeted ESG initiatives and automation processes to enhance employee and vendor experience while building institutional capacity and strengthening service culture.

Business Review
Investment Banking

Introduction

There are three primary business verticals within the Investment Banking (IB) division; Debts Solutions, Capital Markets (Debt and Equity) and Financial Advisory. Each of these verticals is organised to handle and execute relevant corporate finance mandates across major sectors of the Nigerian Economy.

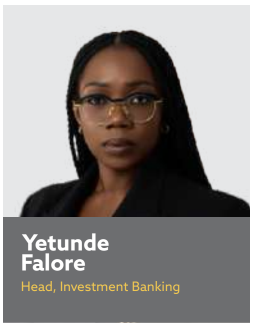
Quest Merchant Bank has an unrivalled track record with respect to the number of transactions closed, underpinned by quick deal turnaround, exceptional execution, unique structuring, and distribution capabilities. It has maintained its position among the top investment banks in Nigeria.

The Team has developed strong relationships with strategic liquidity providers, ranging from domestic, regional, and international banks to other specialised debt, mezzanine, and equity funds while demonstrating extensive knowledge of key sectors that impact national development.

As an industry leader in deal origination, structuring, execution, and distribution, we have advised and raised capital for major clients across Oil and Gas Telecommunications, Financial Services, Power, Infrastructure, and the Manufacturing sectors of the economy.

Below is a list of our product offerings.

- Capital Markets
- Government and Subnational Bonds
- Corporate Bonds
- High Yield Bonds
- Convertible Bonds
- Ratings Advisory
- Asset-backed Securities
- Sukuk
- Commercial Papers
- Securitisation



- Infrastructure Funds
- Initial Public Offer
- Rights Issue

Debt Solutions

- Project and Infrastructure Advisory (green and brownfield)
- Debt Structuring and Arranging
- Global Facility Coordination
- Debt Restructuring and Refinancing
- Technical and Financial Modelling Bank Services
- Bookrunner and Documentation Bank Services
- Leverage and Acquisition Financing
- Reserve-Based Lending
- Public-Private Partnerships Advisory and Pre-Bid Debt Advisory
- Loan Syndications
- Project Risk Assessment and Advisory
- Bankability Assessment and Project Advisory

Financial Advisory

- Mergers and Acquisition Advisory (buy-side and sell-side)
- Restructuring and Recapitalisations
- Carve-outs, Spin-offs and Split offs
- Private Equity Sourcing (structuring, advising, and arranging)
- Privatisation Advisory
- General Corporate Finance Advisory

Key Developments

2025 was a year of deliberate rebuilding for the Investment Banking division. We welcomed new leadership in the person of Yetunde Falore, who joined us from Standard Chartered Bank with a clear mandate to rebuild the team and reinvigorate our market presence.

Alongside this, the division adopted a refreshed strategic positioning, establishing Quest Merchant Bank as the one-stop investment banking house for all corporate and project finance solutions.

Investment Banking (cont'd)

On the back of this repositioning, we recorded quality origination across our target sectors. We were appointed as financial advisers on Lagos Greenline Railway Project – a strategic railway opportunity in one of Africa's fastest growing economy; we successfully led a debut commercial paper programme for Accion Microfinance Bank, a leading microfinance bank in Nigeria; and we participated in a competitive process run in accordance with World Bank standards for the selection of Transaction Adviser for Project BRIDGE, a $2 Billion strategic national telecommunications initiative by the Federal Ministry of Communications, Innovation and Digital Economy (FMCIDE). We were successful with the process and was subsequently appointed as Transaction Advisers, a testament to our rich heritage and excellent execution capabilities.

As we go forward, we remain focused on rebuilding the team, deepening our market presence, and scaling our business as a trusted adviser to clients across the key sectors of the Nigerian economy.

Coverage and Corporate Banking

Introduction

The Coverage & Corporate Banking team provides a one-stop contact point for managing the Bank's client relationships and originating opportunities to deliver value for them. The team provides expertise across five industries that focus on deepening clients' engagements, executing thought leadership initiatives, deal origination and selling across multiple business segments while maintaining relationships with relevant players.

The industry focus mirrors the active business sectors in Nigeria, namely:

Diversified Industries

·Manufacturing/ FMCG
·Metals and Fabrication
·Agriculture and Agribusiness
·Pharmaceuticals

Energy and Infrastructure

·Upstream
·Midstream
·Downstream
·Oil Servicing
·Gas
·Real Estate

Financial Institutions Banks

·Insurance Companies
·Microfinance, PFAs and Asset Managers

Services and Utilities

·Telecoms, Media and Technology
·Transport and Logistics
·Education
·Power

Public Sector

·Federal Government
·Sub-nationals
·Ministries, Agencies and Parastatals

The Coverage & Corporate Banking business provides customised solutions for various corporations across all sectors. These solutions can be grouped under three main product lines:

Credit Products

- Asset-backed Facilities;
- Loans (Overdrafts, Term and Time Loans);
- Revolving Working Capital & Trade Finance Facilities;
- Contract & Project Financing;
- Bonds and Guarantees;
- Receivables Financing;
- Lease Financing.

Trade Products

- Letters of Credit;
- Bills for Collection;
- Invisible Payments (Form A);
- Certificate of Capital Importation;
- Export Processing.

Liability

- Fixed Deposits;
- Domiciliary Accounts;
- Current Accounts.

Key Developments

Foreign Exchange Market:

In 2025, the CBN strengthened its FX market reforms by fully operationalizing the Electronic Foreign Exchange Matching System (EFEMS), which had been introduced in late 2024. EFEMS became the central platform for all interbank FX transactions, using Bloomberg BMatch to ensure real-time publication of FX prices, orders, and trade data. This significantly enhanced governance, reduced market opacity, and curtailed speculative behaviour. In addition, the CBN introduced the Nigeria Foreign Exchange Code in January 2025, setting enforceable standards for ethical conduct, transparency, and risk management across the FX market. These measures helped narrow the gap between official and parallel market rates to less than 2%, improved investor confidence, stabilized the Naira, and provided Banks and their customers with more predictable access to foreign exchange.

Sunday Omoniwa
Head, Coverage & Corporate Banking

Recapitalization of Banks – 2025 Update:

In 2025, the CBN sustained its recapitalization drive, requiring Banks to meet new minimum capital thresholds by March 31, 2026: ₦500 billion for International Commercial Banks, ₦200 billion for National Banks, and ₦50 billion for Merchant Banks. By 2025 year-end, most Tier-1 and mid-tier banks including Access, Zenith, UBA, GTCO, Fidelity, First Bank, Stanbic IBTC, Wema, and others, had complied through rights issues, private placements, and mergers. As of January 2026, 20 banks were fully compliant. The recapitalization exercise has strengthened financial stability and positioned the sector to support Nigerian government's target of achieving a $1 trillion economy by 2030.

Monetary Policy Rate:

Throughout 2025, the CBN maintained a tight monetary policy stance to reinforce the disinflation gains recorded earlier in the year. The Monetary Policy Rate (MPR), which had climbed to 27.50% in late 2024 following a series of aggressive rate hikes, was retained at that elevated level for most of 2025. However, in September 2025, following several months of deflation and improvements in foreign exchange market stability, the CBN implemented a 50bps reduction, bringing the MPR down to 27.00%. During the same September 2025 MPC meeting, the CBN also reduced the Cash Reserve Ratio (CRR) for Deposit Money Banks (DMBs) from 50% to 45%, offering Commercial Banks liquidity relief. This allowed them to ease lending rates slightly and expand their loan books. However, the introduction of a 75% CRR on non-TSA public sector deposits tightened liquidity for Banks heavily reliant on government-related funds. Merchant Banks, however, did not receive similar relief, as their CRR remained unchanged at 16%, leaving their liquidity conditions tighter

Treasury

Introduction

The Treasury Team is responsible for balancing and managing the Bank's daily cash flow and liquidity of funds while mitigating risk effectively through our range of treasury products.

The team is also tasked with effectively managing the Bank's investments in securities, foreign exchange and cash instruments.

Our main focus is the optimal management of the consolidated funds of the Bank and ensuring its profitability within acceptable levels of risk.

Treasury comprises four sub-units: Asset and Liability Management, Fixed Income Bonds, Fixed Income Treasury Bills, Foreign Exchange.

The Asset and Liability Management Unit manages the Bank's balance sheet with respect to liquidity/funding and interest rate risk while ensuring the Bank's obligations are sufficiently funded. The unit is also responsible for managing the Bank's asset and liability profile, focusing on reducing funding costs by capitalising on arbitrage opportunities.

As one of the authorised Primary Dealer and Market Maker (PDMM) in Federal Government of Nigeria Bonds, **the Fixed Income Bond Unit** is responsible for ensuring the Bank meets its obligations as stipulated by the Debt Management Office (DMO).

Yetunde Adebowale
Acting Treasurer

The Fixed Income Bond Unit provides a platform for the Bank to contribute to the continual development of the Nigerian Bond Market through it's participation in Bond Issuances on behalf of the Bank and interested investors.

The unit is also responsible for executing trades and identifying trading strategies and investment opportunities in the various classes of locally denominated bonds.

The Fixed Income Treasury Bills Unit is charged with ensuring active participation in auctions conducted by the Central Bank of Nigeria and serves as the first point of contact for Primary Treasury Bills issues.

The Unit is also responsible for trading in the secondary market on behalf of the Bank and its customers, whilst also providing relevant information and advice to help the Bank and its customers effectively manage their treasury bills portfolio.

The Foreign Exchange Unit offers a broad range of foreign exchange products and services to the Bank's customers to help them manage their needs, including international trade and cross-border payments as well as payments for invisibles.

The unit is also responsible for providing bespoke hedging solutions to support the Bank's customers in managing their foreign exchange risks.

In addition, the Unit is responsible for trading Foreign Currency Securities (Eurobonds) on behalf of the bank and offering them as a viable investment solution to our clients.

Sales Division

Wealth Management

The Wealth Management Unit provides financial planning and effective portfolio management to a diverse client base of high-net-worth individuals, delivered through our various products, innovative solutions and excellent client services.

We also offer commercial papers, mutual funds, equities brokerage services and other extended services (e.g. financial planning sessions, pre-retirement workshops and webinars), and transactional banking services.

The Wealth Management Unit's core functions include sales, marketing and relationship management and are located along the major geographical lines covering Lagos, Abuja and Port Harcourt and their environs.

In 2025, Quest Merchant Bank's Wealth Management division solidified its position as a premier provider of bespoke financial solutions tailored for high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals, families, and institutional clients. Our commitment to delivering personalized, innovative, and compliant wealth services continues to drive sustainable growth and client satisfaction.

Outlook for 2026 and Beyond

The Wealth Management division is poised for further growth driven by continued innovation, expanded digital capabilities, and deeper client relationships. We will focus on enhancing our advisory services, broadening product access, and leveraging data analytics to deliver increasingly personalized wealth solutions. Our commitment remains steadfast to help clients achieve their financial ambitions with confidence and security.

Financial Institutions Sales

The Financial Institutions Sales Unit was established to deliver comprehensive financial solutions to a wide range of institutional investors, including Pension Fund Administrators (PFAs), insurance companies, banks, other financial institutions, cooperative societies, as well as local and offshore portfolio managers. The unit's core mandate is to manage clients' investment portfolios effectively while identifying strategic opportunities for growth and value creation.

Our product offerings span both local and foreign currency fixed deposits and a broad spectrum of fixed income securities such as Treasury Bills, FGN Bonds, Corporate Bonds, and Eurobonds.

Additionally, the unit is responsible for the distribution of capital market instruments including commercial papers and corporate bonds - across our diverse client network.

03

Corporate Responsibility and Sustainability

Empowering Our People

At the core of our success are our people. Accordingly, we introduced several initiatives designed to cultivate a supportive, engaging, and development-oriented work environment. The initiatives enhance our operational effectiveness, improve efficiency, and better position us as the merchant bank of choice.

Employee Engagement and Development

We implemented exciting initiatives throughout the year to enhance employee engagement and improve the overall workplace experience.

Our People Management team led several programmes, workshops, and roadshows to boost productivity and remind employees of the tools and support available to them. Executive Management kept the flow of communication open and transparent in the year, actively engaging employees on different platforms, including townhall sessions.

Training and Development have continued to be core pillars in our organisation. We offered a mix of technical and regulatory training programmes through physical and online learning interventions, which equipped our people with necessary knowledge for the future of work.

In addition, some members of our senior management team attended top-ranked executive leadership programmes in different geographies in order to gain deeper global perspectives.

By the end of the year, close to 100% of our employees, including outsourced personnel, had received different requisite training interventions during the year.

Furthermore, we actively supported the Students' Industrial Work Experience Scheme (SIWES) by giving opportunities to interns from various private and public tertiary institutions to learn the rudiments of the financial services industry, thereby reinforcing their academic experiences with practical industry insights.

As part of our continued focus on employee welfare, we completed a comprehensive industry compensation review analysis to remain competitive, with implementation scheduled for 2026.

Health, Safety and Wellbeing

The safety and wellbeing of our employees remain top priorities. We follow strict health and safety policies, and our premises are equipped with fire prevention and firefighting tools which are routinely checked and maintained. In 2025, we held periodic fire drills where Fire Service professionals trained employees on fire-handling etiquettes and various safety measures.

Our comprehensive health insurance plan remains in place to give employees and their immediate family members access to top-range medical facilities. The platinum ranked plan also covers gym memberships and access to wellness centres to support a healthy lifestyle.

In further support of our employees' emotional health, we provide an Employee Assistance Programme (EAP) delivered in collaboration with a trusted provider, which offers counselling and emotional health support to employees and their spouses.

Health, Safety and Wellbeing (Cont'd)

We also hosted impactful wellness events throughout the year, including health-focused webinars, telemedicine services, and full medical check-ups. Our Health Week, EPIC Walk and team bonding events were popular highlights, offering informative discussions, engaging content, and fun activities to encourage healthier living. We concluded the year with our annual Employees' End-of-Year Party, where we celebrated a successful year at the Bank and honoured long-serving employees in recognition of their milestone years of service.

We continued to uphold our responsibilities as a corporate citizen by complying with the provisions of the Pension Reform Act through our contributory pension plan, Group Life and Personal Accident Insurance, and the Employees' Compensation Fund.

As a family-friendly Bank, we had engagement programmes which allowed participation from employee family members. The flagship event was our 2025 in-house Children's Day Celebrations where we opened our doors to employee children, wards and spouses/guardians to have a firsthand experience of our operations and how their parent/spouse/uncle/aunty contribute to the Bank's growth.

Gender Representation

Our commitment to promoting workplace diversity and inclusion remains unwavering. Please see gender representation as at December 2025 below:

Category	Male	Female
Top Management	50%	50%
All Employees	62%	38%

Our Social Commitment

As responsible stewards of the environment, we drive sustainability initiatives that address pressing environmental, social, and ethical challenges, transforming risks into strategic opportunities.

Our commitment to sustainable business is built on three pillars:

Exceeding Expectations and Making Sustainable Impact:

We are an ethical organization committed to innovative business practices that create sustainable value for all stakeholders.

Sustainability is embedded within our strategic framework, and the integration of environmental, social and governance (ESG) considerations underpins our approach to responsible growth, resilience, and long-term value creation.

We continuously seek to enhance our impact by aligning our operations with evolving best practices, ensuring that our business activities contribute meaningfully to sustainable outcomes while strengthening stakeholder confidence.

Taking Responsibility Beyond Ethical Practice:

We recognize our responsibility to protect and enhance the well-being of our clients, employees and the communities in which we operate.

This commitment is reflected in the way we embed ethical standards and sustainable practices across our operations, ensuring accountability and transparency in our decisions and actions.

We remain deliberate in integrating responsible practices into our day-to-day activities, reinforcing trust and delivering value across our stakeholder groups.

Forward-Thinking Corporate Citizens:

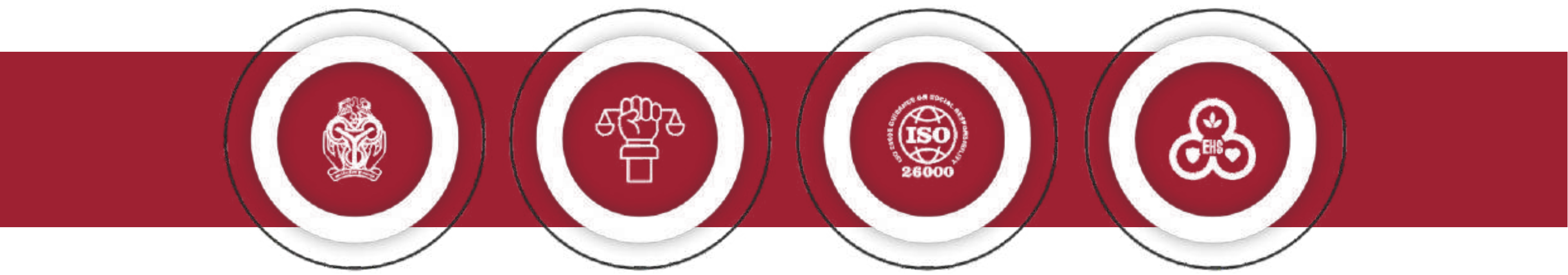
As a forward-looking organisation, we adopt a balanced approach that aligns profitability with strong corporate responsibility.

We remain intentional in addressing the interests of our stakeholders while contributing meaningfully to sustainable economic and social development.

Through this approach, we continue to position the Bank as a responsible corporate citizen, committed to long-term impact and shared value creation.

OUR APPROACH

The Board and Management have established a clear vision for integrating sustainability into our culture and aligning it with our business objectives. To guide this approach, the Bank adopts globally recognized frameworks and standards, including:



Nigerian Sustainable Banking Principles

Applicable local laws and national legislation

ISO 26000 Guidance standards on social responsibility

IFC Performance and World Bank EHS standards

These frameworks inform our policies, decision-making processes, and operational standards, ensuring consistency with global best practices. Our sustainability framework reflects our corporate values and is implemented across key focus areas, as well as within our products and investment decisions.

CORPORATE GOVERNANCE

We have established robust policies and processes to guide the effective oversight, management and control of the Group's governance structure across all levels of operation. These structures support accountability, transparency and sound decision-making across the organisation.

WORKPLACE

We are committed to fostering a work environment that is equitable, efficient and supportive of employee well-being.

To this end, we have implemented policies and initiatives that promote sound organisational governance, uphold human rights, strengthen labour practices, and encourage responsible environmental and operational standards.

These efforts are designed to create a workplace culture that supports productivity, inclusion, and long-term employee engagement.

MARKET PLACE

We engage proactively with our clients and partners to promote responsible business practices, raise awareness of sustainability considerations, and encourage participation in initiatives that drive shared value.

Through these engagements, we continue to strengthen relationships and support responsible practices across our value chain.

ENVIRONMENT

We are committed to minimising our environmental impact and promoting sustainable practices across our operations, recognising the importance of environmental stewardship in delivering long-term value

COMMUNITY

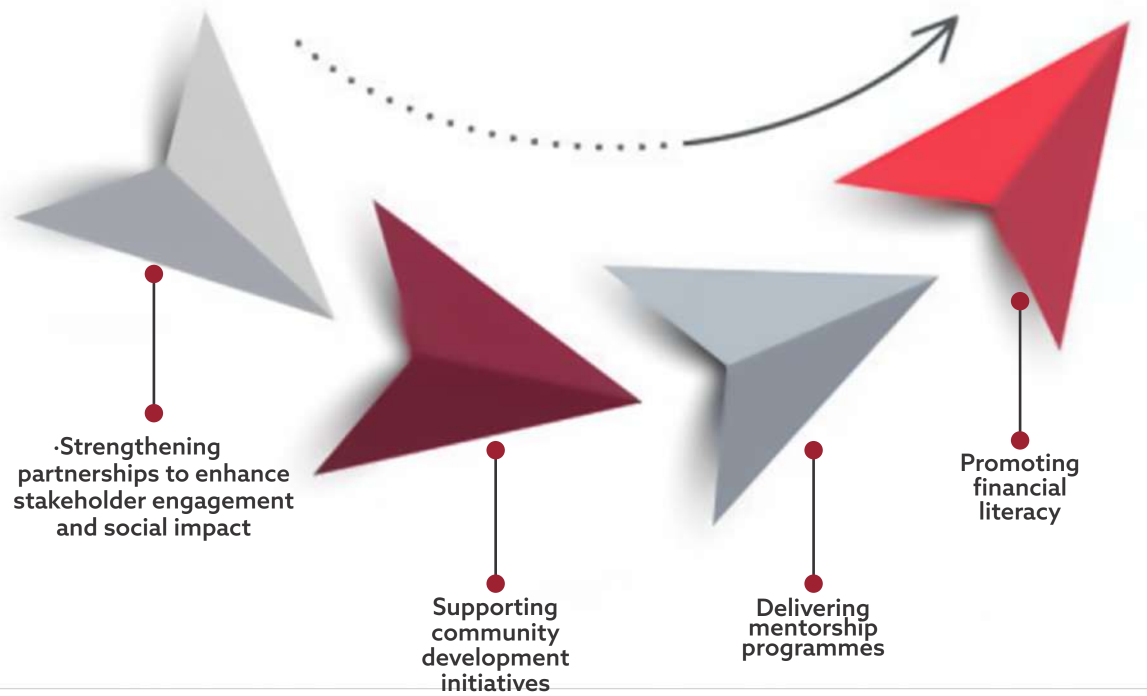
We contribute to the development and well-being of our communities through targeted social impact initiatives, including financial literacy programmes and other interventions designed to create lasting value.

Our approach focuses on delivering measurable impact while supporting sustainable community development.

COMPLIANCE

We maintain compliance with relevant international and local regulatory requirements, including the Nigerian Sustainable Banking Principles, applicable local laws and national legislation, ISO 26000 Guidance on Social Responsibility, IFC Performance Standards, and World Bank EHS Guidelines.

This commitment ensures that our operations remain aligned with regulatory expectations and recognised sustainability standards.



These focus areas guided our activities throughout the year and informed the design and execution of our social impact initiatives.

SOME OF THE HIGHLIGHTS INCLUDE:

Global Money Week:

Global Money Week, held nationally in March, focuses on educating children, youths and their communities on financial literacy and inclusion. Quest Merchant Bank engaged 484 students across four schools in Lagos, Abuja and Port Harcourt, with fifteen employees volunteering to deliver structured financial education sessions.

This initiative contributed to improving financial awareness among young participants and reinforced the importance of early financial education.

Boys To Men Foundation – "Owning My Space" Leadership and Life Skills Partnership:

Quest Merchant Bank partnered with the Boys to Men Foundation on the "Owning My Space" Leadership and Life Skills Programme, designed to equip young men aged 16–25 with the skills and mindset required to achieve their potential and contribute meaningfully to society.

The programme focuses on personal development, healthy living, future planning, and employability, supporting improved workforce readiness among participants and enabling them to make more informed life decisions.

Empowering Vision: Bethesda Health Initiative Partnership:

In support of child health and education, the Bank partnered with the Bethesda Child Support Foundation to deliver targeted health interventions for underprivileged children.

Through this initiative, over 50 students received comprehensive eye screenings, enabling early identification and treatment of vision-related challenges that could impact their academic performance and overall well-being.

This intervention contributed to improved learning outcomes and reinforced the importance of early health support in education.

World Savings Day:

World Savings Day, observed annually on 31 October, promotes the importance of savings for individuals and the broader economy. To mark the occasion, Quest Merchant Bank engaged 383 students across four schools in Lagos, Abuja and Port Harcourt.

The sessions highlighted the role of savings in financial security and economic development, as well as the contribution of individual depositors to the financial system.

The EPIC Walk:

The EPIC Walk, delivered in partnership with Bethesda, brought together employees to raise awareness of the challenges faced by children in marginalised communities and to advocate for improved access to quality education.

The initiative raised ₦1,094,500, providing educational support to 33 children through the Bethesda Foundation and equipping them with resources to support their academic development and long-term growth.

CitySport League School Sport Tournament:

As part of our commitment to youth development, the Bank partnered with CitySport Africa to support the 2025 Junior School Games for primary schools. The initiative promotes physical activity, teamwork, discipline and confidence, while advancing grassroots sports development.

Through this partnership, we contributed to the holistic development of young learners and encouraged community engagement through structured sporting programmes.

Simone Oasis Foundation:

The Bank partnered with Simone's Oasis Foundation to support Art from the Heart 2.0, a two-day art exhibition focused on raising awareness and advancing support for children with Down syndrome, Autism and other neurodevelopmental conditions.

The initiative supported over 50 children, promoted inclusive education, amplified neurodiverse voices, and raised funding for programmes benefiting vulnerable children and their families.

Capacity Building for Female Employees:

In furtherance of our commitment to gender inclusion and leadership development, Quest Merchant Bank supported employee participation in the Women in Management, Business and Public Service (WIMBIZ) Conference.

This platform provided opportunities for learning, networking and exposure to diverse leadership perspectives, strengthening the capacity of female employees and supporting increased representation in leadership.

Additionally, a dedicated mental health and well-being session was organised to promote awareness and support holistic wellness among employees, reinforcing an inclusive and supportive work environment.

Employee Engagement and Development

Employee well-being remained a key priority, supported through the Quest Employee Assistance Programme (EAP) in partnership with Grey Insights. The programme provides access to counselling and therapeutic services for employees and their spouses.

Complementary wellness initiatives were also implemented to support emotional and mental wellbeing across the organisation.

Breast Cancer and Mental Health Awareness

To promote health awareness, the Bank implemented a series of internal and external communications focused on breast cancer and mental health.

An online session was also hosted to facilitate engagement, increase awareness, and encourage early detection and proactive health management.

04

Governance

Board of Directors

Bello
Maccido
Chairman

Afolabi
Olorode
Acting Managing Director

Akinlolu
Osinbajo, SAN
Non-Executive Director

Oyinkansade
Adewale
Non-Executive Director

Irene-Ubiawhe
Akpofure
Non-Executive Director

Oluwole
Oshin
Non-Executive Director

Adeniyi
Falade
Non-Executive Director

Yusuf Hamisu
Abubakar, OON
Independent Non-Executive Director

Bello Maccido
Chairman

Bello Maccido has over 35 years of business experience, 26 of those representing hands-on experience handling a wide spectrum of financial services.

An accomplished corporate and investment banker, his experience covers pension fund management, commercial, retail, corporate and investment banking at various institutions, which include Ecobank Nigeria Plc, New Africa Merchant Bank Limited and FSB International Bank Plc, where he rose to become Acting Managing Director/Chief Executive Officer, Legacy Pensions. He was the founding Managing Director and Chief Executive Officer, First Bank of Nigeria Limited and Executive Director Retail Banking Group, North, where he was appointed the Group Managing Director of FBN Holdings.

He sat on the implementation committee of Financial System Strategy 2020 and the Presidential Monitoring Committee of the Niger Delta Development Commission.

He has a degree in Law from the Ahmadu Bello University, Zaria, and was called to the Nigerian Bar in 1985. He obtained a Master's degree in Business Administration, specialising in Managerial Finance, from Wayne State University, Detroit, USA.

He retired from FBN Holdings effective 1 January 2016, when he became the Chairman of FBNQuest Merchant Bank Limited.

He was a National Council Member of the Nigerian Stock Exchange (now known as the Nigerian Exchange) between 2009 and 2012 and a member of the Finance Committee National Council on Privatisation.

Bello is a chartered stockbroker, a Fellow of the Chartered Institute of Bankers and has attended executive management programmes at Harvard Business School, the Wharton School IMD, Lausanne and INSEAD, Paris. He holds the traditional title of 'Wakilin Sokoto'.

Experience

- Director, Nigeria Sovereign Investment Authority
- Director, Development Bank of Nigeria Limited
- Group Managing Director/CEO, FBN Holdings Plc
- Executive Director, Retail Banking, North Group, First Bank of Nigeria Limited
- Managing Director/CEO, Legacy Pension Managers Limited
- Acting Managing Director/CEO, FSB International Bank Limited
- Manager and Head, Corporate Banking, New Africa Merchant Bank Limited
- Officer, Credit and Marketing, Ecobank Nigeria Plc
- Council Member, Nigerian Stock Exchange, March 2009-May 2012
- Member, Finance Committee, National Council on Privatisation (NCP)
- Member, Implementation Committee, Financial System Strategy 2020
- Member, Presidential Monitoring Committee on the Niger Delta Development Commission
- Member Ministerial Task Force on Refineries

Afolabi Olorode

Acting Managing Director / CEO

Afolabi Olorode is responsible for the business and operations of the Bank. He is a member of the bank's Management Committee and sits on other subcommittees, including the Management Credit & Underwriting Committee, Asset & Liabilities Management Committee, and Risk Management Committee.

He has advised on and raised funding for several landmark transactions involving leading Nigerian and international clients in restructuring, M&A advisory, and capital raising for over 20 years.

He is registered as a Sponsored Individual with the Nigerian Securities and Exchange Commission (SEC), member of Institute of Directors Nigeria (IOD) and a past Director of Administration with the Association of Nigerian Issuing Houses (AIHN).

He has major sectoral expertise that spans the public sector, financial services, power, telecoms, oil & gas and FMCG. He also previously worked with reputable corporations including Emerging Capital Partners, Renaissance Capital, KPMG, Frontier Capital and Agusto & Co. in various roles covering SubSaharan Africa.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and has taken leadership and executive education courses at Columbia Business School, INSEAD, Harvard Business School, Wharton Executive Education, and Lagos Business School, among others. He is also a University of Lagos graduate with a post-graduate degree in Corporate & International Finance from Durham Business School in the United Kingdom.

Experience

- Director of Administration, Association of Nigerian Issuing Houses (AIHN)
- Fellow, Institute of Chartered Accountants of Nigeria
- Sponsored Individual, Nigerian Securities and Exchange Commission (SEC)
- Member, Institute of Directors Nigeria (IOD)
- General Manager, Head of Corporate & Investment Banking, FBNQuest Merchant Bank Limited
- Board Member, Bethesda Child Support Agency
- Member, Ogun State Government Transition sub-committee for Finance (2019)
- Alumnus of Executive Education courses at Columbia Business School, INSEAD, Harvard Business School, Wharton Business School and Lagos Business School
- Deputy General Manager, Co-Head Investment Banking FBNQuest Merchant Bank Limited
- Deputy Director, Head Advisory & Capital Markets FBN Capital Limited
- Vice President, Investment Banking & Finance Renaissance Capital
- Manager, Transaction Services KPMG Professional Services
- Senior Associate, Financial Advisory Alliance Consulting (later Frontier Capital)
- Analyst, Agusto & Co.
- M.Sc Corporate & International Finance, Durham Business School

Akinlolu Osinbajo, SAN

Non-Executive Director

Mr. Akin Osinbajo, SAN, is a Senior Advocate of Nigeria, a highly experienced litigator and Commercial Law practitioner, Chartered Arbitrator and Notary Public of Nigeria, representing several multinational and local clients in contentious commercial litigations in various courts in Nigeria.

He is Joint Managing Partner in Abdulai, Taiwo & Co Solicitors, a firm internationally acknowledged for its expertise on transactional matters relating to Nigeria.

He previously served as a member of the Nigerian Bar Association Special Task Force on Multidisciplinary Practices and Incursions into the Legal Profession.

He was also a member of the Civil Service and Judicial Matters Work Group of the transition committee of the Governor-elect of Ogun State in 2003.

Akin was appointed Honourable Attorney-General and Commissioner for Justice, Ogun State, from 2003 to 2011, making him the longest-serving Attorney-General in Ogun State.

During his eight years as the Chief Law Officer of Ogun State and Official Leader of the Bar, he positively impacted and extensively reformed the administration of justice.

Experience

- Member, Body of Senior Advocates of Nigeria
- Joint Managing Partner, Abdulai Taiwo & Co
- Member, Ogun State Government Transition Committee (2003)
- Honourable Attorney-General and Commissioner for Justice, Ogun State, 2003 to 2011
- Member, Body of Benchers Nigeria, 2003 to 2011
- Member, Chartered Institute of Arbitrators, United Kingdom

Oyinkansade Adewale

Independent Non-Executive Director

Oyinkansade Adewale is a senior finance executive with over 38 years of experience in the banking and professional services sector in Africa, mainly in bank Chief Financial Officer roles and complex bank turnaround engagements.

She was appointed turnaround Chief Financial Officer of a large Nigerian bank by the Central Bank of Nigeria (CBN), where she was responsible for withdrawing and restating the bank's previously published financials.
She supported 14 banks as a financial adviser/due diligence consultant during the 2004–2006 CBN led bank consolidation programme that moved the minimum capital of Nigerian banks from ₦5bn to ₦25bn through mergers and acquisitions. She established a world-class finance function at another large turnaround Nigerian bank.

She is a recipient of the CBN Governor's commendation for meritorious services to the banking sector.

Experience

- Independent Non-Executive Director, LaFarge Africa Plc
- Independent Non-Executive Director, Baobab Microfinance Bank Limited
- Member, Investment Committee, Uhuru Investment Partners
- Executive Director/Chief Finance Director, Union Bank of Nigeria Plc
- Integration Manager, Ecobank Transnational Incorporated
- Executive Director, Chief Financial Officer, Oceanic Bank International Limited (appointed by the CBN)
- Managing Director/COO, Renaissance Group, Lagos
- Founding Partner, SIAO Chartered Accountants
- Chief Executive and Founder, OA Financial Accounting Group
- Executive Director/Chief Financial Officer for Nigeria and West Africa, Citibank Nigeria
- Manager, Coopers and Lybrand

Dr. Irene Ubiawhe-Akpofure

Non-Executive Director

Dr. Irene Ubiawhe-Akpofure, is a seasoned Human Resources, Business Transformation & Change Professional with over 20 years experience in both the public and private sector.

Dr. Ubiawhe-Akpofure is also the Founder/CEO of Yvonne Lewis Limited, a leading recruitment and training service provider with offices located in the United Kingdom and Delta State, Nigeria.

Throughout her successful career, Dr. Ubiawhe-Akpofure served as Housing Officer at GFS Platform Borehamwood, Hertfordshire, United Kingdom, where she provided high-level educational support to women with social needs.

She also served as a Service Manager at London & Quadrant Housing Trust, London, United Kingdom, where in her leadership position, she contributed to the strategic service development and delivery of the Company.

Dr. Ubiawhe-Akpofure holds a PhD in International Business Management from the International School of Management (ISM) Paris, France, a Masters degree in Human Resource Development from the University of Greenwich, United Kingdom, and a BSc. Hons in Health from University of Greenwich, United Kingdom.

She is also a Member of the Institute of Directors, the Recruitment and Employment Confederation and the Chartered Management Institute.

Experience

- Founder/CEO, Yvonne Lewis Limited.
- Service Manager, London and Quadrant Housing Trust.
- Housing Officer, GFS Platform Borehamwood.

Oluwole Oshin

Non-Executive Director

Wole is the founder and Group Managing Director of Custodian Investment Plc. He is an industry leader with over thirty-five (35) years' experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Council Member of the West African Insurance Companies Association (Ghana), Council Member of the African Insurance Organization, and External Lecturer – West African Insurance Institute, Banjul, The Gambia.

Oluwole is a graduate of Actuarial Science from the University of Lagos. A Chartered Insurer, he holds the Doctor of Finance (Honoris Causa) and is a fellow of both the Chartered Insurance Institute of Nigeria and the Association of Investment Advisers and Portfolio Managers.

He sits on several boards, including the International Insurance Society (New York), Council Member of the Nigerian Insurers Association, Advisory Board of the Commonwealth Enterprise and Investment Council, and the National Council on Privatisation. He has received numerous awards including nomination as "African CEO of the Year" by African Reinsurance Corporation, a three (3) time awardee of the Top 25 CEO's Award by the influential BusinessDay Newspaper and the 2019 Harvard Business School Association of Nigeria (HBSAN) Leadership Award for General Management.

He is a past President of the Lagos Business School Alumni Association (LBSAA) as well as an alumnus of the Harvard Business School (OPM42).

Oluwole Oshin was appointed to the Board on December 30, 2025.

Experience

- Group Managing Director, Custodian Investment Plc.
- Chairman, UPDC Plc.
- Chairman, Crusader Sterling Pensions Limited

Adeniyi Falade

Non-Executive Director

Adeniyi Falade is a Chartered Accountant, Chartered Stockbroker and an Investment Banker. He had his professional accountancy training at PricewaterhouseCoopers, and Coopers & Lybrand Limited, Lagos. He holds a Master of Business Administration (MBA) from the University of Warwick, United Kingdom and a Bachelor of Science degree (BSc), from the University of Ibadan.

Before his appointment as Executive Director of Custodian Investment Plc, Adeniyi had served as Managing Director of Crusader Sterling Pensions Limited, Managing Director of Lead Capital and Head of Investment Banking Group of Ecobank Nigeria Plc and Lead Bank Plc. He had also at various times served as Head of Internal Control/ Chief Inspector and Head of Risk Management Department of Lead Bank Plc. He is also a member of the Board of Directors of Custodian Life Assurance Limited, Custodian Trustees Limited, UPDC PLC and Interstate Securities Limited.

Adeniyi Falade was appointed on December 30, 2025.

Experience

- Executive Director, Custodian Investment Plc.
- Managing Director of Crusader Sterling Pensions Limited
- Managing Director of Lead Capital
- Head of Internal Control, Lead Bank Plc.
- Chief Inspector, Lead Bank Plc.
- Head of Risk Management Department of Lead Bank Plc.
- Director, Custodian Life Assurance Limited
- Director, Custodian & Allied Insurance Limited
- Director, Custodian Trustees Limited
- Director, UPDC Plc.
- Director, Interstate Securities Limited.

Yusuf Hamisu Abubakar, OON

Independent Non-Executive Director

Yusuf Hamisu Abubakar is a lawyer by training, with versatile knowledge in different fields of specialization including finance, management, and economics. He graduated from the Bayero University Kano in 1987 with an LLB degree, and thereafter proceeded to the Nigeria Law School and acquired a BL in 1988. He obtained a Masters degree in Business Administration from the University of Exeter UK in 2008.

He has attended various courses both locally and overseas, including Financial Management and Accounting for Senior Managers (SMU Dallas) in the USA; Negotiation Skills for Executives, Templeton College, Oxford University (UK); Chief Executive Programme (CEP13), Lagos Business School; and Corporate Governance at the Harvard Business School (Boston, USA).

Yusuf has held diverse positions in the public service as well as the private sector. He served as Director-General, Bureau for Lands and Survey, Kaduna State, where he brought his initiative and broad vision to bear on Land Administration in Kaduna state. He then served as a member of the Kaduna State Executive Council as Honourable Commissioner of Health and Social Development, and later Honourable Commissioner of Finance and Economic Planning respectively. He then went into active legal practice until he was appointed as the Pioneer Executive Secretary of the Petroleum Technology Development Fund (PTDF) where he designed a robust organizational structure and developed the Fund's operational culture of excellence and fashioned it into a knowledge-driven proactive organization. His legacies at the PTDF included the institutionalization of excellence in petroleum training to meet world-class status and international best practices.

Yusuf served as a Commissioner in the Nigeria Communications Commission (NCC) between 2011 and 2015. He is a Director of Kano Electricity Distribution Company (2013 to date), and Chairman of Kaduna Electricity Distribution Company (2015 to date). He was Chairman of Niger Insurance Plc. He is a recipient of various national and international awards and honours, including the Officer of the Order of the Niger (OON); Fellow, Eisenhower Foundation (EF), Philadelphia, USA, and Honorary Doctor of Business Studies, Robert Gordon University, UK.
Yusuf Hamisu Abubakar was appointed to the Board on December 30, 2025.

Experience

- Director-General, Bureau for Lands and Survey, Kaduna State
- Director, Kano Electricity Distribution Company
- Chairman, Kaduna Electricity Distribution Company
- Commissioner of Health and Social Development, Kaduna State
- Commissioner of Finance and Economic Planning, Kaduna State
- Pioneer Executive Secretary, Petroleum Technology Development Fund (PTDF)
- Commissioner, Nigeria Communications Commission (NCC)
- Chairman, Niger Insurance Plc.

Corporate Governance Report

Introduction

At Quest Merchant Bank Limited ("the Bank"), corporate governance is more than a mandate – it is our identity. It directs our strategy and sustains a culture of accountability, ensuring we remain a trusted partner to our stakeholders. We view governance as our navigational compass, ensuring that integrity and accountability remain the cornerstone of our operations.

The Board of Directors exercises diligent oversight of the Bank's governance framework and ensures that all stakeholders are meaningfully engaged throughout our journey.

We remain committed to transparency and responsible leadership, recognizing that these principles are essential for sustaining growth and resilience in an evolving financial landscape.

Shareholding

Following the approval of the divestment from First HoldCo Plc, which was approved in November 2025, Quest Merchant Bank Limited is now wholly owned by Everquest Acquisition LLP. Custodian Investment Plc, Aion Investment Limited and Lakepoint Global Concepts Limited are Designated Partners in Everquest Acquisition LLP.

Board of Directors

The Board of Directors holds ultimate responsibility for the overall performance and long-term success of Quest Merchant Bank Limited.

This mandate is executed through the full Board and its specialized committees, which deliberate on matters critical to the Bank's continued growth. By reviewing and approving major strategic initiatives, the Board provides effective oversight and defines the Bank's strategic direction.

It ensures the implementation of robust audit, risk management, and internal control frameworks, supported by comprehensive financial reporting and compliance programmes. In carrying out these duties, the Board embeds consistent standards across the Bank's operational and governance processes and maintains rigorous evaluation mechanisms to preserve their integrity.

The Board also strengthens the competence, independence, and ethical conduct of both internal and external audit functions, reinforcing the Bank's commitment to transparency and accountability.

Corporate Governance Report (cont'd)

Board Structure

During the year, the Board was made up of a Non-Executive Chairman, three (3) Non-Executive Directors and one (1) Executive Director, all of whom have obtained the approval of the Central Bank of Nigeria. The approval of three (3) Non-Executive Directors was obtained in December 2025.

1. and capital budgets;
2. Approving and implementing the Bank's succession planning;
3. Approving acquisitions and divestitures of business operations, strategic investments and alliances and major business development initiatives;
4. Ensures adherence to banking regulations, Corporate Governance Codes (and where necessary, puts in frameworks for adherence);
5. Assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors.

The Role of the Board

1. Setting the Bank's strategic plans for implementation by management;
2. Appointing, evaluating and where necessary, removing senior executives;
3. Defining the Bank's risk appetite and approving risk management frameworks;
4. Overseeing credit, market, operational & liquidity risks and ensuring that emerging risks are monitored;
5. Reviewing and approving the Bank's financial statements and ensuring external audit independence;
6. Reviewing and approving the Bank's business plans and budgets, including capital allocations an expenditures;
7. Monitoring corporate performance against the strategic plans and business, operating and capital budgets;
8. Approving and implementing the Bank's succession planning;
9. Approving acquisitions and divestitures of business operations, strategic investments and alliances and major business development initiatives;
10. Ensures adherence to banking regulations, Corporate Governance Codes (and where necessary, puts in frameworks for adherence);
11. Assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors.

Role of Individual Board Members

Chairman

- Guides the Board in setting the Bank's long-term vision and strategic objectives;
- Sets the agenda for Board meetings in collaboration with the Acting Managing Director and Company Secretary and ensures the Board remains focused on its governance roles;
- Ensures Board meetings are focused, inclusive and productive by facilitating effective decision making and consensus-building among Directors;
- Ensures the various Board committees are set up and properly governed to assist the Board in its oversight functions; and
- Chairs the Board meetings and Annual General Meeting.

Managing Director

- Implements the Board's approved strategies and policies;
- Drives the long-term vision, growth and competitive positioning of the Bank;
- Ensures timely and accurate financial reporting and compliance with regulatory standards;
- Oversees the Bank's operations, including asset and liability management, credit portfolio quality, and profitability targets;
- Liaise with external consultants and representatives of regulatory bodies (CBN, NDIC, tax authorities, external auditors, consultants, etc.) on behalf of the Bank;
- Provides the Board with accurate and timely information for decision making; and Provides reports to the Board on financial performance, risk exposures, and strategic progress as may be required.

Non-Executive Director

- Act in the best interests of the Bank;
- Oversight of the effectiveness of internal controls, risk management frameworks, and compliance programmes;
- Translates the Board's strategic decisions into actionable plans;
- Implement Board-approved risk frameworks and ensure compliance with regulatory requirements; and;
- Ensure the Board as a whole acts in the Bank's best interests rather than those of an individual Director or any other interests.

Role of Individual Board Members (cont'd)

Independent Non-Executive Director

- Provide specialized oversight and ensure committee decisions align with the Bank's objectives;
- Maintain independence from management and other board members to ensure impartiality;
- Support the Board in enhancing the operational value of the Bank by contributing independent and objective insights to strategic deliberations and decision-making processes, while ensuring strict adherence to all applicable statutory and regulatory requirements.

Company Secretary

- Advises the Board and its Committees on governance and regulatory best practices.
- Supports the Board in fulfilling its fiduciary mandate;
- Facilitates the induction of new directors and coordinates ongoing professional development for Board members;
- Ensures that board procedures are observed and that the Bank's Memorandum and Articles of Association are complied with.
- Ensures that governance structures and processes are up to date;
- Ensures that shareholder communications are conducted in a transparent and compliant manner.
- Ensures good information flow between the Board and Management.
- Supports the Board in managing shareholder relations, including the organization of Annual General Meetings (AGMs);
- Ensure timely circulation of meeting agendas, board papers, and minutes to facilitate informed decision-making;
- Maintains corporate and statutory registers of the Bank.

Membership & Tenure of Directors

CBN's Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks specifies a maximum of three terms of four years each for Non-Executive Directors and a maximum of 8 years (2 terms of 4 years each) for Independent Non-Executive Directors.

The tenure of the Executive Director (Acting Managing Director) shall be in accordance with their terms of engagement, subject to a maximum tenure of 12 years. The Bank's policy on Directors' tenures, as well as the Charter of the Board of Directors, is aligned with this.

The membership and tenure of the Board of Directors during the year is as highlighted below:

	Director	Designation	Date of First Appointment	Date of Most Recent Renewal
1	MALLAM BELLO MACCIDO	Chairman	November 4, 2014	November 4, 2022
2	MR AKINLOLU OSIBANJO, SAN	Non-Executive Director	January 31, 2017	January 31, 2025
3	MRS OYINKANSADE ADEWALE, FCA (INED)	Independent Non-Executive Director	March 14, 2019	March 14, 2023
4	DR. IRENE UBIAWHE-AKPOFURE	Non-Executive Director	January 11, 2023	Not Applicable
5	MR. OLUWOLE OSHIN	Non-Executive Director	December 30, 2025	Not Applicable
6	MR. ADENIYI FALADE	Non-Executive Director	December 30, 2025	Not Applicable
7	MR. YUSUF ABUBAKAR	Non-Executive Director	December 30, 2025	Not Applicable
8	MR. AFOLABI OLORODE	Executive Director (Ag. Managing Director)	January 5, 2024	Not Applicable

Board Meetings

The Board meets quarterly, and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Bank. The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

Board Meeting Attendance

Meeting Date	Bello Maccido	Akinlolu Osibanjo	Oyinkansade Adewale	Irene Ubiawhe Akpofure	Oluwole Oshin	Adeniyi Falade	Yusuf Abubakar	Afolabi Olorode
30/1/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
4/3/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
20/5/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
28/7/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
6/10/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
15/10/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
16/10/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
29/10/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
2/12/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓
17/12/2025	✓	✓	✓	✓	N/A	N/A	N/A	✓

Board Focus Areas for 2025

During the year, the Board focused on revenue growth as well as the imminent ownership transition of the Bank, while maintaining strict compliance with corporate governance guidelines and continuous engagement with all stakeholders.

The Board also extensively evaluated the Bank's strategic priorities, operational outcomes, and prospects, alongside thorough reviews of risk management reports and regulatory compliance, ensuring alignment with prevailing standards.

Board Changes in 2025

Mr. Oluwole Oshin and Mr. Adeniyi Falade were appointed as Non-Executive Directors, and Mr. Yusuf Abubakar was appointed as an Independent Non-Executive Director. All appointments were effective December 30, 2025.

Re-election of Directors

In line with the Bank's commitment to strong corporate governance, the Board of Directors ensures that all directors undergo an evaluation process to determine their eligibility for re-election.

The re-election process considers both performance and attendance at meetings, in line with the Governance Framework.

Irene Ubiawhe – Akpofure and Afolabi Olorode retired by rotation and being eligible, presented themselves for re-election and were re-elected at the Annual General Meeting of the Bank held on May 20, 2025.

Effectiveness and Evaluation

The Bank is subject to CBN's Corporate Governance Guidelines, the standards of which are incorporated into the Charters of the Board and its Committees.

Executive Directors operate under formal contracts that clearly define their tenure, responsibilities, and remuneration. The Board has also instituted succession planning policies for both its own composition and the Bank's management, ensuring leadership continuity.

The Company Secretary maintains a structured induction programme for newly appointed Directors, as well as ongoing training informed by identified development needs and peer reviews conducted by the Board's appraisal consultants, PwC.

To uphold high standards of governance, the Board has engaged PwC to annually perform independent evaluation of its effectiveness and corporate governance practices.

This comprehensive appraisal includes a peer review process that assesses the individual performance of each Director, reinforcing the Board's commitment to continuous improvement and alignment with global best practices.

The Board's evaluation covers each Committee's duties, effectiveness, proceedings and general compliance with its terms of reference.

Members of the Board of Directors have unrestricted access to the Company Secretary, a Board-appointed officer who functionally reports to the Chairman.

The Company Secretary plays a pivotal role in facilitating effective communication among Board members, Committees, and between the Executive Management and Non-Executive Directors.

Director Appointment Philosophy

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

For new appointments, the Committee identifies, reviews, and recommends candidates for potential appointment as Directors.

In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

The appointment of Directors is subject to the approval of the shareholders and the Central Bank of Nigeria.

Induction and Training

Upon appointment to the Board and Board Committees, all Directors receive an induction tailored to meet their individual requirements.

The induction is arranged by the Company Secretary and includes meetings with senior management and key external directors, to assist Directors in acquiring detailed understanding of the Bank's operations, its strategic plan, key business issues, and to introduce Directors to their fiduciary duties and responsibilities.

An induction exercise in respect of the newly appointed Directors would be facilitated in Q1 2026.

The Bank attaches great importance to training its Directors, and therefore continuously offers training and education from onshore and offshore institutions to its Directors in order to enhance their performance.

During the year, Board members participated in both local and international training programs covering a broad range of topics, including Sustainability, Data Privacy, Cybersecurity, Artificial Intelligence, and key Compliance areas such as Anti-Money Laundering, Counter-Terrorism Financing, and Proliferation Financing.

Board Appraisal

The Board of Directors engaged PwC to conduct an appraisal of its activities and Directors' peer appraisal during the year in accordance with established regulations. According to PwC's report, the Board's activities follow good corporate governance practices as outlined in the CBN Corporate Governance Guidelines and NCCG 2018. The Board of Directors and the Annual General Meeting received PwC's report. PwC was first appointed in 2021.

Performance Monitoring

For the Bank's long-term viability, the Board keeps a close eye on its operations and assesses strategic outcomes in the following ways:

- Defining the Bank's strategic direction and setting key priorities to guide its long-term growth and sustainability.
- Engaging proactively with key stakeholders to communicate the Bank's achievements and provide avenues for input into its strategic objectives.
- Monitoring the external operating environment to ensure the Bank's strategic initiatives remain relevant, responsive, and attainable.
- Developing a robust policy framework that underpins all governance-related operational policies and actions across the organization.
- Overseeing the appointment of the Acting Managing Director, setting performance benchmarks, and administering appropriate rewards based on evaluation outcomes.
- Ensuring full compliance by both the Acting Managing Director and the Bank with all applicable federal, state, and local regulations, as well as internal policies.

Sustainability & Governance

The Bank is committed to strategic sustainability through a robust framework of codes, standards, and guidelines that shape its business operations.

These governance structures underpin the Bank's commitments to environmental sustainability, corporate social responsibility (CSR), diversity, equity, and inclusion (DEI), risk management, and responsible banking.

Key areas of focus include minimizing environmental impact, advancing corporate social responsibility, and fostering diversity, equity, and inclusion.

Recognizing that policies alone are insufficient; the Bank prioritizes a strong ethical culture driven by its people.

Cultivating ethics and compliance is central to its approach, ensuring employees not only understand the regulations but also appreciate their significance.

To embed these principles, the Bank invests in extensive training programs, beginning at onboarding and continuing throughout employees' careers.

These programs emphasize ethics, governance, and sustainability, equipping employees to navigate complex decisions with integrity, building a workforce that is not only skilled and knowledgeable but also dedicated to upholding the Bank's reputation, financial stability, and positive societal impact.

Diversity & Inclusion:

The Bank remains committed to promoting gender equality and women empowerment which promotes a decent work environment and economic growth.

The Bank promotes women's full and effective participation and equal opportunities for leadership at all levels of decision-making in its workplace.

Approximately 38% of employees are female with 25% female representation on the Bank's Board.

The Board has made it a priority to increase the female representation on the Board.

Code of Business Conduct & Ethics

During the 2025 financial year, the Board of Directors complied with the Code of Business Conduct and Ethics of the Bank which regulates relations of Directors, Management and other employees with internal and external parties.

The Code of Business Conduct was made available to Directors and relevant stakeholders.

Board Committees

The Board carries out its oversight functions using its various Board Committees. This makes for efficiency and allows for a deeper attention to specific matters for the Board.

Membership of the Committees of the Board is intended to make the best use of the skills and experience of Non-Executive Directors in particular.

The Board has established the various Committees with well defined Terms of reference and Charters defining their scope of responsibilities in such a way as to avoid overlap or duplication of functions.

These Charters have been approved by the Central Bank of Nigeria.

The Committees of the Board meet quarterly but may hold extraordinary sessions as the business of the Bank demands.

The Board Credit Committee, the Board Audit Committee, the Board Risk Management Committee and the Board Governance, Nominations & Remuneration Committee all contribute to the effectiveness of the Board. A Non-Executive Director chaired the Board Risk Management Committee and Board Credit Committee, while an Independent Non-Executive Director chaired the Board Audit and Board Governance, Nominations and Remuneration Committees.

The terms of reference of the respective Board Committees are as follows:

Board Audit Committee (BAC)

The Board Audit Committee was chaired by Oyinkansade Adewale, FCA. This Committee is tasked with the oversight of internal and external audit functions.

The terms of reference of the BAC are as follows:

- Ascertain whether the accounting and reporting policies of the Bank are in accordance with legal requirements and acceptable ethical practices.
- Review the scope and planning of audit requirements including the review of the external audit plan.
- Review the findings on management matters (Management Letter) in conjunction with the external auditors and Management's responses thereon.
- Review the effectiveness of the Bank's system of accounting and internal control.
- Make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Bank.
- Authorize the internal audit function to carry out investigations into any activities of the Bank which may be of interest or concern to the Committee.
- Ensure that the internal audit function is firmly established and that there are other reliable means of obtaining sufficient assurance of regular review or appraisal of the system of internal control in the Bank.
- Oversee management's processes for the identification of significant fraud risks across the Bank and ensure that adequate prevention, detection and reporting mechanisms are in place.
- On a quarterly basis, obtain and review reports by the internal auditor on the strength and quality of internal controls, including any issues or recommendations for improvement, raised during the most recent control review of the Bank.
- Discuss and review the Bank's audited quarterly and annual financial statements with management and external auditors to include disclosures, management control reports, independent reports and external auditors' reports before submission to the Board, in advance of publication.
- Meet separately and periodically with management, the internal auditor and the external auditors, respectively.
- Review and ensure that adequate whistleblowing procedures are in place and that a summary of issues reported is highlighted to the Board, where necessary.
- Review with external auditors, any audit scope limitations or problems encountered and management responses to them.
- Review the independence of the external auditors and ensure that they do not provide restricted services to the Bank.

- Appraise and recommend the apiontment of internal auditor of the Bank to the Board and review his/her performance annually.
- Review the response of management to the observations and recommendation of the Auditors and Bank regulatory authorities.
- Agree Internal Audit Plan for the year with the Internal auditor and ensure that the internal audit function is adequately resourced and has appropriate standing within the Bank.
- Undertake quarterly review of Internal Audit progress against Plan for the year as well as outstanding agreed actions.
- Develop a comprehensive internal control framework for the Bank and obtain assurances on the operating effectiveness of the Bank's internal control framework.
- Establish management's processes for the identification of significant fraud risks across the Bank.

The Committee is required to meet quarterly, and additional meetings are to be convened as required. The Committee met six (6) times during the financial year ended December 31, 2025.

The BAC comprised the following members during the year under review:

Members
- Oyinkansade Adewale, FCA – Chairperson
- Dr. Irene Ubiawhe-Akpofure
- Akinlolu Osinbajo, SAN

BOARD AUDIT COMMITTEE ATTENDANCE - FY2025

Meeting Dates	Oyinkansade Adewale	Irene Ubiawhe-Akpofure	Akinlolu Osinbajo
24/1/2025	✓	✓	N/A
22/2/2025	✓	✓	N/A
2/5/2025	✓	✓	✓
22/7/2025	✓	✓	✓
28/10/2025	✓	✓	✓
15/12/2025	✓	✓	✓

Board Credit Committee (BCC)

The BCC was chaired by Akinlolu Osinbajo, SAN. The terms of reference for the BCC are as follows:

- Evaluate the Bank's credit policies and provide strategic recommendations to the Board for enhancement and alignment with risk appetite.
- Review and authorize credit facilities that exceed the approval limits of the Management Credit Committee, in accordance with established Credit Policies.
- Monitor, report and analyze trends in the Bank's risk asset portfolio to identify emerging risks and opportunities.
- Assess the methodologies used for evaluating risk assets and advise on suitable exposure limits to safeguard financial stability.
- Approve the restructuring of credit facilities in line with the Credit Policy, ensuring that asset concentration remains within the Company's defined risk tolerance.

The Committee is required to meet quarterly, and additional meetings are to be convened as required. The Committee met five (5) times during the financial year ended December 31, 2025.

The BCC comprised the following members during the year under review:

Members

- Akinlolu Osinbajo, SAN - Chairperson
- Oyinkansade Adewale, FCA
- Afolabi Olorode

BOARD CREDIT COMMITTEE ATTENDANCE- FY2025

Meeting Dates	Oyinkansade Adewale	Akinlolu Osinbajo	Afolabi Olorode
23/1/2025	✓	✓	✓
5/5/2025	✓	✓	✓
18/7/2025	✓	✓	✓
4/9/2025	✓	✓	✓
17/10/2025	✓	✓	✓

Board Governance, Nominations & Remuneration Committee (BGNC)

The BGNC was chaired by Oyinkansade Adewale, FCA. The Committee has oversight of strategic people issues, including employee retention, equality, and diversity as well as other significant employee relations matters.

The terms of reference for the BGNC are as follows:

- Identify, evaluate, and recommend qualified candidates for Board membership.
- Review and advise the Board on the appointment of senior management personnel within the Bank.
- Formulate, update, and propose corporate governance policies and principles relevant to the Bank's operations.
- Oversee adherence to approved governance standards and policies across the organization.
- Assess and recommend actions on staff welfare, employment conditions, administrative matters, and ethical concerns, while serving as a general-purpose committee at the Board's discretion.
- Determine fair, reasonable and competitive compensation practices for Executive officers and other key employees of the Bank which are consistent with the Bank's objectives.
- Determine the quantum and structure of compensation and benefits for Non-Executive Directors, Executive Directors and senior management.
- Ensure the existence of an appropriate remuneration policy and philosophy for Executive Directors and Non-Executive Directors.
- Review and recommend for the Board's ratification, all terminal compensation arrangements for Directors and senior management.
- Recommend appropriate compensation for Non-Executive Directors for consideration by the Board and at the Annual General Meeting.
- Review and approve any recommended compensation actions for the Company's Management Committee members, including base salary, annual incentive bonus, long-term incentive awards, severance benefits, and perquisites.
- Review and continuously assess the size and composition of the Board and Board Committees, and recommend the appropriate Board structure, size, age, skills, competencies, composition, knowledge, experience and background in line with needs of the Bank and diversity required to fully discharge the Board's duties.

- Review of the effectiveness of the process for the selection and removal of Directors and to make recommendations where appropriate.
- Ensure that there is an approved training policy for Directors, and monitoring compliance with the policy.
- Review and make recommendations on the Group's succession plan for Directors and other senior management staff for consideration of the Board.
- Monitor compliance by Directors and staff of the Group's code of ethics and business conduct.
- Review and make recommendations on the recruitment, promotions and disciplinary actions for Executive Management level personnel.
- Ensure annual review or appraisal of the performance of the Board is conducted. This review/appraisal covers all aspects of the Board's structure, composition, responsibilities, individual competencies, Board operations, Board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship towards shareholders etc.

The BGNC is composed of only Non-Executive Directors and is chaired by an Independent Non-Executive Director. The Committee is required to meet quarterly, and additional meetings are to be convened as required. The Committee met six (6) times during the financial year ended December 31, 2025.

The BGNC comprised the following members during the year under review:

Members

- Oyinkansade Adewale, FCA – Chairman
- Akinlolu Osinbajo, SAN
- Dr. Irene Ubiawhe- Akpofure

BOARD GOVERNANCE NOMINATIONS & REMUNERATION COMMITTEE ATTENDANCE- FY2025

Meeting Dates	Oyinkansade Adewale	Akinlolu Osinbajo	Irene Ubiawhe-Akpofure
24/1/2025	✓	✓	✓
20/2/2025	✓	✓	✓
23/4/2025	✓	✓	✓
22/7/2025	✓	✓	✓
17/10/2025	✓	✓	✓
12/11/2025	✓	✓	✓

Board Risk Management Committee (BRMC)

The BRMC was chaired by Akinlolu Osinbajo, SAN. This Committee is tasked with the responsibility and oversight of the Bank's Enterprise Risk Management Framework.

The terms of reference of the BRMC are as follows:

- Facilitate the development of a comprehensive risk management framework and formulate and implement comprehensive policy standards and procedural guidelines to govern the assessment, monitoring, and management of risk across the organisation.
- Periodically review and monitor risk mitigation progress and periodically review and report to the Board of Directors:
    - The magnitude of all material business risks;
    - The processes, procedures and controls in place to manage material risks;
    - The overall effectiveness of the risk management process.
- Develop and promote institutional policies and operational practices that support the adoption, integration, and seamless execution of sustainability initiatives across all functions of the Bank.
- Ensure the implementation of the approved cyber security policies, standards and delineation of cybersecurity responsibilities.
- Provide oversight for the Bank's IT governance and Cybersecurity programme, including value delivery, strategic alignment, framework for performance.
- Advise the Board on the Bank's overarching risk philosophy, appetite, and tolerance thresholds, supporting informed decision-making.
- Monitor capital adequacy and capital management practices, ensuring adherence to global standards, including Central Bank and Basel guidelines.
- Reviewing the adequacy and effectiveness of the programme of compliance with money laundering and financial crimes regulations and guidelines established within the Bank.
- Reviewing the processes in place for ensuring that new and changed legal and regulatory requirements on money laundering and financial crimes are identified and reflected in the Bank's processes.
- Evaluating the nature and effectiveness of action plans implemented to address identified compliance.
- To perform such other duties and responsibilities as the Board of Directors may assign from time to time.

The Committee is required to meet quarterly, and additional meetings are to be convened as required. The Committee met four (4) times during the financial year ended December 31, 2025.

The BRMC comprised the following members during the year under review:

Members

- Akinlolu Osinbajo, SAN – Chairman
- Oyinkansade Adewale, FCA
- Afolabi Olorode

BOARD RISK MANAGEMENT COMMITTEE ATTENDANCE FOR FY2025

Meeting Dates	Akinlolu Osinbajo	Oyinkansade Adewale	Afolabi Olorode
22/1/2025	✓	✓	✓
22/4/2025	✓	✓	✓
21/7/2025	✓	✓	✓
27/10/2025	✓	✓	✓

Management Committee

Responsibility for the day-to-day management of the Bank rests with the Management Committee. As the Bank's highest executive decision-making body, the Committee operates within the strategic directives and parameters established by the Board, to whom it remains fully accountable.

The Management committee is entrusted with the following powers:

- Business continuity management;
- Identifying, assessing, and mitigating operational, financial, and reputational risks;
- Ensure the effective and efficient management of the Bank's resources, encompassing the acquisition and disposal of assets, subject to the guiding principle that no fixed asset shall be disposed of at a value below its book value as recorded at the time of disposal;
- Facilitating cross-functional coordination to enhance service delivery and institutional effectiveness.

The Management Committee carries out its mandate through the following committees:

Asset and Liability Committee (ALCO)

ALCO is responsible for developing short, medium and long-term strategies for managing the Bank's financial assets and funding. ALCO meets regularly to review the Bank's balance sheet and analyze and formulate strategies for managing inherent risks and achieving relevant performance goals.

ALCO focuses on a number of risks including, but not limited to:

- **Interest rate risk:**
  Mitigating the impact of adverse interest rate fluctuations arising from mismatches between the Bank's asset and liability profiles through appropriate hedging strategies.

- **Liquidity risk:**
  Ensuring the Bank meets its maturing obligations as and when due and is in the position to honor its commitments.

- **Concentration risk:**
  Ensuring that the Bank is not vulnerable to any single client or groups of clients relative to its funding sources.

- **Price risk:**
  Ensuring that adverse movements in market prices do not have a negative impact on the Bank's trading positions.

Information Technology Steering Committee (ITSC)

The Information Technology Steering Committee (ITSC) is principally responsible for overseeing the feasibility, strategic justification, and successful execution of Information Technology ("IT") initiatives across the organization.

The Committee monitors project progress and ensures the timely delivery of approved outcomes in alignment with defined objectives.

Functioning as a stabilizing force, the ITSC supports the formulation and sustenance of forward-looking organizational strategies and technological directions. It provides strategic counsel on long-term IT planning to advance the organization's goals.

Members of the Committee are tasked with ensuring that all IT projects remain aligned with business priorities and are executed within scope, time, and budget parameters.

These responsibilities are carried out through the following functions:

- Monitoring and reviewing the project at regular ITSC meetings;

- Assisting with the project when required;

- Managing project scope in response to emerging issues, while ensuring all adjustments remain aligned with the established business requirements of project sponsors and key stakeholders.

Risk Management Committee (RMC)

The RMC is responsible for identifying, assessing, monitoring, controlling and managing inherent risks in the Bank's business.

The objectives of the RMC include:

- Providing a solid foundation for enterprise-wide risk management and internal controls as part of good corporate governance, global best practices and applicable legal and regulatory requirements.

- Effective asset, liability and risk management for both the customer and Quest Merchant Bank Limited while balancing the cost of risk management with the potential gains.

- Resolving project conflicts and disputes, reconciling differences of opinion and approach.
- Formal acceptance of project deliverables.
- Ensuring that due diligence is followed in selecting and recommending service vendors for IT projects.
- Enhancing the Bank's profitability by building a good relationship between a sound risk management system and profitability.
- Safeguarding the Bank against high-probability risks and mitigating their impact when they occur in the course of business.
- Establishing a robust business continuity management framework with built-in capabilities to ensure minimal disruption in the event of mission-critical threats and assess its adequacy relative to Quest Merchant Bank Limited's business and regulatory requirements.

Directors' Remuneration

The Bank's Remuneration Policy for Non-Executive Directors is guided by the provisions of the CBN Corporate Governance Guidelines which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and incidental expenses.

The Non-Executive Directors shall be paid out of the funds of the Bank by way of remuneration for their services as Directors, such sums as shall be approved by shareholders at the Annual General Meeting.

Details of remuneration paid to Executive and Non-Executive Directors during the financial year are broken down as follows:

	₦"000m
Fees and Sitting Allowances	263,850
Other Director Expenses	115,103
Total	**378,953**

Quest Merchant Bank Limited's remuneration structure reflects its desire to sustain long-term value creation for shareholders and aims to:

- Encourage excellence and a healthy balance of short and long-term performance so that Quest Merchant Bank Limited's financial objectives and expected returns are met and sustained.
- Encourage Directors to focus their contributions to the business where they work, and contributions to Quest Merchant Bank Limited as a whole.
- Enable the Bank to attract and retain people of proven ability, experience and skills in the market in which it competes for talent.
- Ensure that remuneration policies and programmes are transparent, well-communicated, simple to comprehend and aligned with the interests of shareholders both internally and externally.

Clawback Policy

The Bank has implemented a Clawback Policy designed to protect its interests by ensuring that compensation paid to executives is aligned with the long-term performance and integrity of the Bank.

The Policy provides for the recovery of incentive-based compensation in the following instances:

i. Where the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of the Bank's audited financial statements.

ii. Where it is determined that an Executive Director engaged in intentional misconduct that caused or substantially caused the need for the substantial restatement.

iii. A lower payment would have been made to the Executive Director based on the restated financial results.

The clawback provision applies to any incentive-based compensation, bonuses, profit sharing, or performance-based rewards paid, awarded, received, or earned in the current period and for up to three years thereafter.

Currently, no clawback cases are being pursued by the Bank.

Communication Policy

The Board and Management of the Bank ensure that communication and dissemination of information regarding the operations and management of the Bank to shareholders, stakeholders and the public is timely, accurate and continuous, to give a balanced and fair view of the Bank's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Bank's website.

Whistleblowing Procedure

The Bank's whistleblowing procedure involves employees and other stakeholders disclosing workplace malpractices, illegal acts, omissions, unsafe practices, or suspicious conduct internally or externally.

A whistleblower is any individual, including employees, directors, customers, service providers, creditors, or other stakeholders of the Bank, who informs the appropriate authorities of any unethical, immoral, unsafe, fraudulent activities, or dishonest act in the Bank in a bid to protect public interest, promote safety and ensure accountability.

Quest Merchant Bank Limited is committed to providing exceptional services and upholding the highest ethical standards in all its operations. The Bank designed its internal systems and operating procedures to detect, prevent, and deter improper conduct. Knowing that even the most effective controls cannot guarantee complete protection against fraud, impropriety, and other irregularities, the Bank has provided for the investigation of allegations of suspected improper activities, instituted an effective disciplinary process, and provided for the escalation of findings to relevant regulatory agencies where applicable.

The Bank enforces adherence to the whistleblowing process, knowing that our employees are the first to recognize when the Bank's interests are being compromised and often facilitate uncovering of unethical practices. The Bank acknowledges that staff may refrain from raising concerns, making disclosure or 'blowing the whistle' on wrongdoing, for fear of victimization or losing their jobs.

Accordingly, the Whistleblowing Policy of the Bank encourages internal and external whistleblowers to report malpractice and misconduct without fear of repercussions. The Bank commits to protecting any employee who blows the whistle if:

a) disclosure made in good faith, and the issue is within the scope covered in the policy.
b) it raises concern internally .

c) The whistleblower makes wider disclosures to the other regulatory agencies, (the Central Bank of Nigeria (CBN), Nigeria Financial Intelligence Unit (NFIU) or Economic and Financial Crime Commission (EFCC)) in all the circumstances where the matter:

I) is exceptionally serious.
ii) is not raised internally because the employee believes that he/she would be victimized.
iii) is not raised internally because the employee believes that there would be cover-up and there is no designated person; and
iv) was raised internally or with the designated person but the concern was not dealt with properly.

The Bank's Whistleblowing Policy guarantees protected reporting i.e. it ensures that concern raised will be treated confidentially, without disclosing whistleblower's identity while protecting complainant from reprisals or victimisation. Whistleblowing disclosures include:

- All forms of financial malpractice, impropriety, or fraud
- Failure to comply with legal obligations, statutes, or regulatory directives.
- Actions detrimental to health and safety or the environment
- Improper conduct or unethical behaviour, including any form of criminal activity.
- Other forms of corporate governance breaches
- Connected transactions; insider abuses, including non-disclosure of interest; and
- Attempts to conceal any of these, etc.

Objective
The Bank's Whistleblowing Policy encourages stakeholders to bring unethical conduct and illegal activities to the attention of internally designated appropriate person and/ or external regulatory agencies for proper investigation and closure.

Roles
The responsibility for implementing the Whistleblowing Policy in the Bank lies with the Board, Senior Management, and specific officers of the Bank, including the Chief Compliance Officer and Chief Audit Executive.

To enable seamless reporting of issues, the Bank has made available three channels to whistleblowers:
- Dedicated telephone lines; +234-906-246-2242, +234-707-478-9080.
- Dedicated email address - whistleblowing@questmb.com; and
- Whistleblowing on the bank's website

https://questmb.com/policies/

A prospective whistleblower may use any or a combination of the available channels to raise concern. The whistle may also be blown in confidence to the CBN, the NFIU or the Economic and Financial Crimes Commission (EFCC) via relevant channels as communicated by the agencies.

Responsibilities
All whistleblowing cases at Quest Merchant Bank Limited are investigated, the report shared with the Board and the regulatory agencies as appropriate.

16 April 2026

The Chairman
Quest Merchant Bank Limited
2 Broad Street,
Lagos Island,
Lagos, Nigeria
Dear Sir,

INDEPENDENT CONSULTANT'S REPORT ON THE OUTCOME OF THE BOARD AND CORPORATE GOVERNANCE EVALUATION OF QUEST MERCHANT BANK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2025

PricewaterhouseCoopers ("PwC") evaluated the Board of Directors and Corporate Governance of Quest Merchant Bank Limited ("the Bank") or ("the Company"), as required by Principle 14.1 of the Nigerian Code of Corporate Governance 2018 ("the NCCG") and Section 10 of the CBN Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks 2023 ("CBN Guidelines) for the period ended 31 December 2025.

Our responsibility was to assess the corporate governance practices of the Company and assess the performance of the Board of Directors within the scope of our Letter of Engagement dated 08 December 2025. We also facilitated a Self and Peer Assessment of each Director's performance in the year under review. This assessment covered each Director's time commitment to the business of the Company and continuous learning and development. Each Individual Director's Assessment Report was prepared and made available to them respectively, while a consolidated report of the performance of all Directors was submitted to the Board Chairman.

In carrying out the Evaluation, we relied on representations made by members of the Board and Management of the Company, and on the documents provided for our review.

The Company and the Board of Directors have complied significantly with the provisions of the Codes. Areas of compliance include the Board's provision of strategic guidance to Management, oversight of the effectiveness of the Bank's internal control environment and risk management framework and engagement of the stakeholders of the Bank.

Details of other findings and recommendations are contained in the full report. Matters outlined in the Report are only those that came to our attention during the Evaluation. The Evaluation is limited in nature and does not necessarily disclose all significant matters about the Company or reveal any irregularities. As such, we do not express any opinion on activities reported.

Yours faithfully,

Chioma Obaro
Partner

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Leadership
Management Committee

Afolabi Olorode
Ag. Managing Director/CEO

Sunday Omoniwa
Head, Coverage & Corporate Banking

Olamide Adeosun
Chief Financial Officer

Yetunde Falore
Head, Investment Banking

Funke Shobanjo
Head, Strategy & Transformation and Operations

Tolulope Adetugbo
Company Secretary & Head Legal

Omo Osemwegie
Chief Information Officer

Adebiyi Adeboye
Chief Risk Officer

Victoria Aneke
Chief Compliance Officer

05

Risk Overview

Chief Risk Officer's Report

The global economy remained resilient in 2025 amidst heightened trade policy uncertainty, a weaker labour supply, and persistent inflationary pressures. In a world already weakened by rising rivalries, unstable supply chains and prolonged conflicts at risk of regional spillover, geopolitical risk and geoeconomic confrontation dominate the risk outlook. Inflationary pressures will remain elevated in 2026, driven by tariff-related distortions and stricter immigration policies. However, the Federal Reserve(Fed), the Bank of England (BoE) and the European Central Bank (ECB) are expected to proceed gradually to policy easing amid inflation volatility.

The impact of the anticipated rate cut by the developed economies on the domestic front will be positive, leading to sustained gains in the foreign exchange (FX) market as domestic assets remain attractive to offshore investors. A continuation of the disinflationary trend witnessed in 2025 is expected, anchored on the Central Bank of Nigeria's (CBN) inflation-targeting framework as the MPC seeks to balance inflation control with its growth mandate. Exchange rate will remain largely stable supported by rising diaspora remittances, strong investor confidence and higher oil receipts. Nevertheless, domestic outlook could be undermined by some downside risks such as geopolitical tensions, distortion in domestic crude oil production, supply chain disruption, lower oil prices driven by oversupply concerns and early preparations for 2027 general elections..

At Quest Merchant Bank, we aim to remain steadfast by strengthening risk management practices, with focus on mitigating the likely impact of both the familiar and emerging risks on the Bank's business, while creating long-term value for our stakeholders. The Bank faces various risks with varying degrees of unpredictability; credit, compliance, information security, legal, liquidity, market, operational, strategy and reputational risks are among the most significant threats to the Bank.

The impact of these risks on earnings, capital, liquidity, and stakeholder interests are being considered when determining the relative importance of each risk. While the risks are being properly identified, closely measured and handled at the Management level, there is considerable Board oversight through the Board's Risk Management Committee, which meets regularly.

Chief Risk Officer's Report (cont'd)

The risk management policies of Quest Merchant Bank were established to identify, analyse and measure risks that the Bank faces. The policies are established to set and adhere to appropriate limits and controls, as well as to monitor risks. These policies are reviewed every two years. However, the Board may order more frequent reviews if changes in laws, regulations, market conditions or the Bank's activities are significant enough to affect the continued implementation of existing policies.

The Bank implemented various risk awareness sessions, training, management standards and procedures to ensure every employee knows their responsibilities in a disciplined and constructive control environment.

Risk Management Framework

The Board of Directors is responsible for overseeing and establishing the Bank's risk management framework through its Committees:

- Board Risk Management Committee (BRMC);
- Board Credit Committee (BCC);
- Board Audit Committee (BAC); and
- Board Governance and Nomination Committee (BGNC).

All Board Committees are made up of Executive and Non-Executive members. The various Management Committees assist the Board Committees in identifying, assessing and monitoring risks arising from the Bank's day-to-day operations.

These Committees are tasked with developing and monitoring risk policies in their specific areas and regularly reporting their activities to the Board of Directors. The Committees are:

- Asset and Liability Committee (ALCO);
- IT Steering Committee (ITSC);
- Management Credit and Underwriting Committee (MCUC);
- Risk Management Committee (RMC);
- Information Security Steering Committee (ISSC); and
- Other ad hoc Committees.

All established Committees meet monthly or quarterly, while ad hoc committees are formed based on changing operational realities and new risks. The Bank's risk philosophy, appetite and tolerance are all under the scrutiny and recommendation of the Board and its Management Committees. The Committees also monitor the Bank's plans and progress toward regulatory, risk-based supervision requirements, regulatory and economic capital adequacy. Quest Merchant Bank understands that it is in the business of risk management to generate optimal returns for the benefit of all its stakeholders. As a result, it approaches risk using a variety of policies and procedures, including the following:

- Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Countering Proliferation Financing (CPF)Policies;
- Business Continuity Management (BCM) Policy;
- Code of Conduct Policy;

- Compliance Policy;
- CounterpartyLimit Policy;
- Credit Risk Policy;
- Contingency Funding Plan;
- Enterprise Risk Management (ERM) Policy;
- Environmental and Social Risk Policy;
- Information Security Policy;
- Strategic Risk Policy;
- Market and Liquidity Risk Policy;
- Reputational Risk Policy;
- Operational Risk Policy;
- Performance Management Framework;
- Related Parties Policy;
- Standard Manuals of Operations; and
- Whistleblowing Policy

The Risk Management and Control Group implements approved risk policies and procedures. Quest Merchant Bank has a robust and functional ERM policy designed to govern, identify, measure, control, manage and report the inherent and residual risks to which the Bank is exposed.

The Risk Governance framework is tailored along the 'Three Lines of Defence' model, as depicted below:

·Risk-Taking Units

·Risk Management and Control Functions

·Internal Audit Functions

Risk Governance Framework
Quest Merchant Bank's risk governance and strategy include the following:

- A definition of risk management governance and responsibilities, including the Bank's risk committee structure and organisation;
- A statement of risk tolerance, including qualitative and quantitative statements under stress situations;
- A risk appetite statement, including qualitative and quantitative statements under normal and stressed conditions;
- A capital adequacy management approach, including capital demand and supply as well as a capital planning process; and
- An internal control approach, following a 'Three Lines of Defence' method.

Risk Management Governance and Responsibilities

Risk Management Model
Quest Merchant Bank has a risk committee structure, with clear roles and responsibilities that constitute the basis of its risk governance.

Risk Committee Structure
The committee structure defined for the Bank is as follows. The high-level responsibilities of these Committees regarding Enterprise Risk Management are:

- Board of Directors: The Board has ultimate responsibility for the Bank's overall strategic direction for the Business, its risk strategy and the level of risk to be taken. The roles can be classified into general and specific roles.

General Roles

- Approve and periodically review risk strategy and policies;
- Approve the Bank's risk appetite and monitor the risk profile against this appetite;
- Ensure Executive Management takes the steps necessary to monitor and control risks;
- Ensure that Management maintains an appropriate system of internal control and reviews its effectiveness;
- Ensure the risk strategy reflects the Bank's tolerance for risk;
- Approve the Bank's cybersecurity programme that promptly identifies and addresses risk;
- Review and approve changes or amendments to the risk management framework;
- Review and approve risk management procedures and control for new products and activities; and
- Periodically receive risk reports from Management, highlighting key risk areas, control failures and remedial steps taken.
- Receive quarterly risk reports from Management.

Specific Roles
Credit Risks

- Approve the Bank's overall risk tolerance relative to credit risk based on the Chief Risk Officer's recommendation;
- Ensure that the Bank's overall credit risk exposure is maintained at prudent levels and is consistent with the available capital through quarterly reviews of various types of credit exposure;
- Ensure that Management, as well as individuals responsible for credit risk management, possess the requisite expertise and knowledge to accomplish their risk management functions;
- Ensure that the Bank follows a sound methodology for identifying, measuring, monitoring and controlling credit risk;
- Ensure that detailed policies and procedures for credit risk exposure creation, Management and recovery are in place and
- Maintain an appropriate credit administration, measurement and monitoring process.
- Conduct regular portfolio stress-testing to determine the likely portfolio response to adverse developments, to help identify weak points so that preventative action can be taken.

Market and Liquidity Risks

- Define the Bank's overall risk appetite relative to market risk;
- Ensure that the Bank's overall market risk exposures are maintained at levels consistent with the available capital;
- Ensure that Management, as well as individuals responsible for market risk management, possess the requisite expertise and knowledge to accomplish the risk management function;
- Approve the Bank's strategic direction and tolerance level for liquidity risk;
- Ensure that Management has the ability and required authority to manage liquidity risk;
- Approve the Bank's liquidity risk management policy; and
- Ensure that liquidity risk is identified, measured, monitored and controlled.
- Conduct regular portfolio stress-testing to determine the likely portfolio response to adverse developments, to help identify weak points so that preventative action can be taken.

Operational Risks

- Define the Bank's overall risk appetite in relation to operational risk;
- Ensure the Bank's broad operational risk exposure is maintained at levels consistent with the available capital;
- Ensure that Management, as well as individuals responsible for operational risk management, possess the requisite expertise and knowledge to accomplish the risk management function;
- Approve the Bank's operational risk management framework;
- Audit the Bank's operational risk management framework effectively and comprehensively through operationally independent, properly trained and competent employees; and
- Ensure that operational risk is identified, measured, monitored and controlled.

Information Security Risks

- Approve the Bank's overall information security framework and policy;
- Ensure that the Bank's information security framework is maintained in line with its risk appetite and is commensurate to the risks associated with information assets;
- Establish strategy, policy and objectives for information security in accordance with the Bank's needs as part of its overall information security risk management strategy; and
- Ensure cyber risk management is incorporated into Bank-wide risk management and security expectations are defined and met across the Company.

Reputational Risk Management

- Establish appropriate guidelines for Management, including a clear, zero-tolerance policy for all unethical behaviour;
- Adhere to all applicable laws and regulations in their dealings with the Bank. Directors shall do everything in their power to avoid any appearance of a conflict of interest;
- All reports from regulators and auditors, as well as internal reports, shall be reviewed by the Board, which shall also ensure that appropriate sanctions are applied to erring officers while demanding explanations from Management for all exceptional items. The Board shall ensure that Management implements effective corrective measures and updates on its progress regularly; and
- Ensure that only qualified individuals are appointed to Senior Management positions in the Bank. Clear guidelines must be established and all employees must adhere to the Bank's Code of Conduct.

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

- Outline an appropriate framework to Manage Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Countering Proliferation Financing (CPF) program;
- Ensure the program meets the requirements of the CBN Circular on Minimum Account Opening Requirements, CBN Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Countering Proliferation of Weapons of Mass Destruction in Financial Institution) Regulations 2022, Money Laundering (Prevention and Prohibition (MLPPA)) Act 2022, the Terrorism (Prevention and Prohibition) Act 2022;

- Ensure the training of its staff in AML/CFT/CPF, as well as sustaining high ethical and professional standards in its operations at all times;
- Ensure that the highest standards of AML/CFT/CPF compliance are always adhered to; and
- Create a culture of compliance to ensure staff adherence to the Bank's AML/CFT/CPF policies, procedures and processes as enshrined in relevant regulations and as required by best practices

Board Risk Management Committee

This is the standing Committee of the Supervisory Board responsible for the oversight of all risks and exercises the powers delegated to it by the Board. The role of the BRMC includes the following:

- Providing supervision of the risk management function to achieve a comprehensive view of the Bank's risks and to implement approved risk management strategies effectively;
- Monitoring capital adequacy regularly, in accordance with the Bank's capital policy; Making any recommendations to the Board that it deems appropriate, as well as investigating any other matters referred to it by the Board;
- Reviewing and making recommendations to the Board on issues raised by internal audit that have an impact on risk management; and Reviewing and recommending to the Board changes to risk policies in response to regulatory changes, unexpected changes in the business landscape, etc.

Board Audit Committee

This Committee reflects the independent reporting line of the internal audit function covering the Bank. The role of the BAC includes the following:

- Administering and enforcing the Bank's financial reporting, accounting policies and procedures and establishing procedures for compliance with regulatory and legal requirements;
- Approving audit plans, charters and other programmes of the internal audit function;
- Improving the effectiveness of the internal and external audit functions and communication between the Board and the external and internal auditors;
- Ensuring compliance with established policies through periodic review of reports provided by Management, internal and external auditors and the supervisory authorities; and
- Facilitating the external auditor's independence, providing a structural reporting line for internal audit and maintaining the internal audit's objectivity.

Board Credit Committee

As delegated to the Management Credit and Underwriting Committee, this is the most senior Committee responsible for approving risk asset creation and underwriting, including credit approval authority and policies on the approval process. The role of the BCC includes:

- Implementing the Board's strategies on risk assets creation, underwriting and reporting at regular intervals to the Board;
- Reviewing and recommending credit risk management policies, limits and thresholds to the Board for approval;
- Taking decisions and guiding Management on handling credits and exposures to credit risk;
- Reviewing and recommending the Bank's credit rating methodology to the Board for approval and ensuring its implementation; and
- Receiving reports periodically and, based on these reports, providing direction and advice on managing the identified risks.

Board Governance & Nomination Committee

This Board committee is responsible for the following:
- Overseeing the Board's evaluation of the performance of Senior Management;
- Considering and making recommendations to the Board on the appointment of Senior Management staff; and
- Identifying and making recommendations to the Board on staff welfare, conditions of service, administrative and ethical issues as may arise.

Risk Management Committee

The Risk Management Committee develops and enforces the Bank's risk policies. It is also in charge of defining and approving risk-specific policies. The role of the RMC includes the following:

Developing and implementing the Bank's operational and credit risk management framework in line with the Board's criteria and standards;
Managing the Bank's exposure to credit, market and operational risks through the implementation and monitoring of various indicators and tools put in place by the Board;

Making sure that risk issues that could have a significant and material impact are dealt with quickly and, if necessary, referred to the Board; Periodically reviewing reports on material risk factors and events;

Recommending relevant reviews to existing policies, limits and methodologies to the Board from time to time, in line with changes in the operating environment;

Putting in place relevant manuals of operations, procedures and guidelines for all functional units in the Bank and reviewing these from time to time in line with structural and operational changes;

Recommending relevant reviews of existing product programmes to the Board and proposing new ones, as appropriate, to improve and strengthen operational efficiency;

Creating and regularly reviewing appropriate systems of controls and procedures for all functional units in accordance with regulatory guidelines and best practices; and Continually reviewing and strengthening the Bank's business continuity management plan in view of technological changes, the operating environment, operational risk factors and regulatory requirements.

Asset and Liabilities Committee (ALCO)
This Committee manages the Bank's liquidity and day-to-day market and liquidity risks. Strategically, this Committee balances the Bank's appetite for risk, capital and funding requirements. New product approval is ALCO's responsibility.

ALCO's responsibilities include, but are not limited to:
- Management of market and liquidity risks;
- Regularly reviewing and assessing the Bank's exposure to market and liquidity risks, relevant risk factors and market and environmental outlook;
- Taking the necessary steps to reduce the potential impact of identified risk factors on portfolio exposures;
- Examining the implementation of strategic initiatives and making necessary changes.
- Taking reasonable action to ensure that performance targets and benchmarks are met, in full compliance with the Bank's strategic thrust;
- Performing relevant stress and scenario tests on the various portfolios based on risk factors and other variables identified;

- Establish targets for internal liquidity ratios, review ratios against their target and approve a course of action for rectifying any breach of targets.
- Ensuring full oversight on the Bank's overall financial performance.
- Examining the appropriate risk models used in market risk management; and
- Reviewing reports from various SBUs and the Risk Management group regularly.

IT Steering Committee (ITSC)

This Management Committee is responsible for initiating and implementing the Banks IT infrastructure. The role of ITSC includes:

- Assessing the feasibility and implementation of ICT projects;
- Monitoring and reviewing ongoing projects at regular meetings;
- Assisting with the project when required;
- Controlling the project scope based on emerging risks and issues while ensuring that the scope aligns with the agreed business requirements;
- Resolving project conflicts and disputes, including differences of opinion and approach;
- Being responsible for the formal acceptance of project deliverables; and
- Ensuring due diligence is followed in selecting and recommending service vendors for IT projects.

This Committee also serves as the Information Security Steering Committee (ISSC), responsible for providing strategic direction for information and cybersecurity governance.

It also provides governance for the information and cyber security programme; ensures the alignment of policy and processes with business objectives; evaluates, approves, and sponsors institution-wide security investment; and enforces the implementation of policies for prioritising investment and security risk management.

New Product Approval Committee

The MANCOM has delegated to this Committee the responsibility for reviewing and approving new products.

These are major risks to which the Bank is exposed during its normal operations:

Credit Risks

This is the existing or principal risk to the Bank's profits and capital resulting from a creditor's inability to repay the principal or interest on time or to perform as promised in any other way.

Information Security Risks

These are the effects that threats and vulnerabilities associated with the operation and use of information systems, as well as the environments in which those systems operate, may have on an organisation and its stakeholders.

Liquidity Risks

These are the risks associated with the Bank's failure to satisfy its obligations and support asset expansion without incurring unacceptably high borrowing costs and asset sales at off-market value.

Market Risks

These are losses in on and off-balance sheet positions because of adverse changes in market prices.

Operational Risks

This is the current and future risk to earnings and capital posed by insufficient or faulty internal processes, people, systems, or external factors.

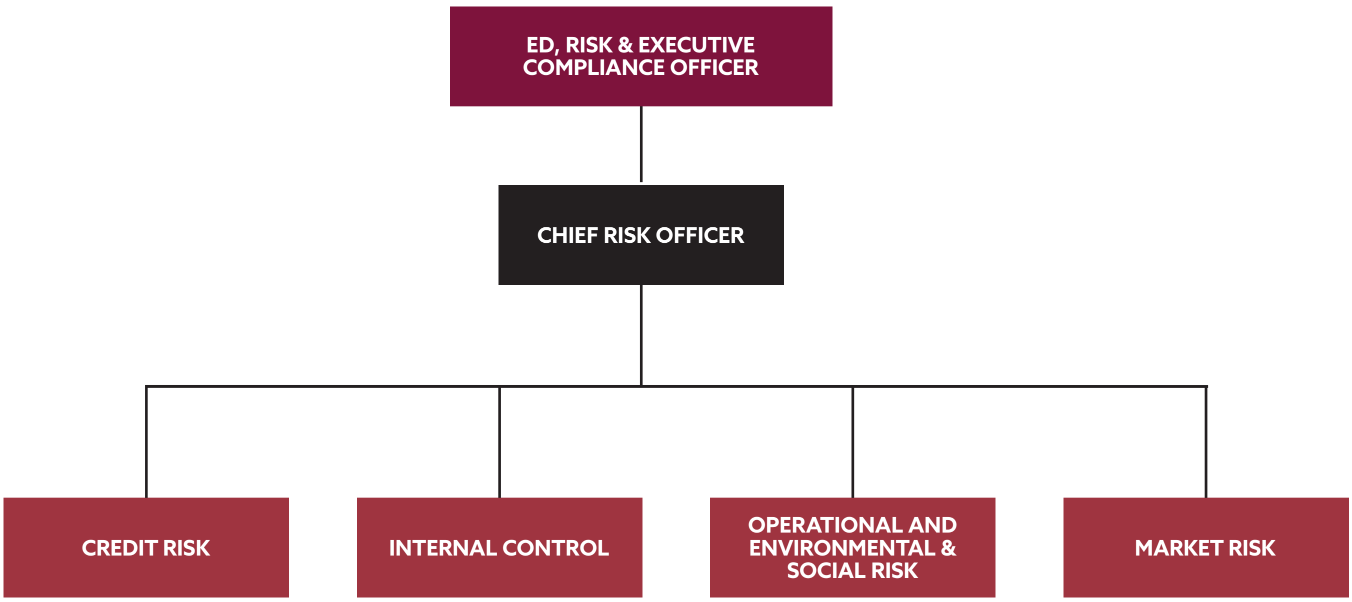
However, legal, reputational and strategic risks are also critical. There are policies and procedures in place to measure and manage the Bank's exposure to these risks, all outlined in this section of the report.

Contingency Funding Plan Principles and Policy

The Board of Directors and Senior Management of Quest Merchant Bank Limited continue to prioritise the importance of a sound, robust, sustainable liquidity position to meet emerging and future funding needs. Given this goal and the likely uncertainty in the operating environment, the Bank has prepared a Contingency Funding Plan (CFP), which provides the framework for analysing and responding to liquidity crises or periods of market stress.

The purpose of the plan is to provide a framework for the Bank's response to any liquidity crisis that may occur within the Bank, as well as external/systemic events that could trigger a liquidity crisis that may affect the Bank. The CFP provides procedures for handling liquidity and funding crises, through emergency market access that enables or allows the Bank to successfully manage the crisis and prompt a quick recovery. The plan also aligns with the principles described in the Bank's Liquidity Risk Policy.

Risk Governance Organogram



Principal Risks

Quest Merchant Bank is exposed to a number of risks with varying degrees of significance. Key risks faced by the Bank due to its operations include credit, compliance, liquidity, market, operational, reputational, strategy and information security risks.

The importance of each risk to the Bank is determined by its effects on capital, earnings, liquidity and stakeholders' interests. While the risks have been properly identified and closely measured and managed at the Management level, there is also considerable Board oversight, as risks are reported to the Board Risk Management Committee regularly.

The nature of our business and our products bring inherent risks in financial markets, credit, operations and information security. The extent of our exposure to these risks drives our regulatory capital requirements. The business model we have adopted means that the risks listed are very important to us, and it is critical that they are effectively and properly managed.

Credit Risks

Quest Merchant Bank defines credit risk as a counterparty failing to meet the agreed-upon terms of any lending contracts with the Bank. Credit risk occurs when the Bank's funds are extended, committed, invested, or otherwise exposed due to actual or implied contractual arrangements. Given its lending and other associated activities, the Bank has emphasised effectively managing its credit risk exposure. The credit risk strategy defines the following elements at a minimum:

- Preferred customer profile in granting credit;
- Allocation of credit based on exposure type, industry or economic sector, geographical location, currency and maturity e.t.c.;
- Target markets;
- Risk rating level based on its risk-bearing capacity and principles for diversification of protection against risks; and
- Quality, yield and growth targets for the credit portfolio.

The credit risk strategy is central to identifying, measuring, monitoring and controlling credit risk and is thus reviewed periodically (at least annually). Treasury and Coverage and Corporate Banking are the Bank's risk-asset-creating units. They are required to implement all credit policies and procedures in line with the approval limits granted by the Board.

These business units are responsible for the quality and performance of their risk asset portfolio and for monitoring and controlling all credit risks. Internal audit undertakes regular business unit audits, while the Risk Management and Control group carries out regular credit quality reviews.

The nature of our business and our products present inherent risks in financial markets, credit, operations and information security. The extent of our exposure to these risks drives our regulatory capital requirements.

Quest Merchant Bank Limited continues to tackle basic and concentration risks inherent in its business to manage the Bank's portfolio risk. Portfolio concentration limits are measured under the following parameters:

- Aggregate large exposure limit
- Single obligor limit
- Customer concentration limit
- Credit product limit
- Currency limit Loan performance
- Obligor risk rating
- Sectorial limit
- Tenor limit

Credit risk from trading securities is managed independently but reported as a component of market risk exposure.

Board Credit Committee (BCC)
The Board has delegated credit risk management responsibility to the BCC.

Executive Management, through the Management Credit and Underwriting Committee (MCUC), is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies for the Bank, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements;

- Establishing the authorisation structure for the approval and renewal of credit facilities.

- Authorisation limits are allocated to the executive committee by the BCC or Board of Directors as appropriate;

- Reviewing and assessing credit risk in all credit exposures before committing to customers.

- Renewals and reviews of facilities are subject to the same review process;
- Developing and maintaining the Bank's criteria for categorising exposures and focusing the Management on the attendant risks.

- The Risk Asset Acceptance Criteria (RAAC) and Credit Risk Policy criteria cover exposures to banks and related regulated institutions, large-quoted corporates, large conglomerates and multinationals.

approving RAAC and Credit Policy lies with the BCC; and reviewing compliance with exposure and concentration limits and advocating best practices throughout the Bank in credit risk management.

The Bank's Credit Risk Principles and Policies were further revised in 2025. Quest Merchant Bank recognises that loan assets constitute a significant portion of its assets. Thus, the Bank strives to proactively protect and continually improve the health of its loan portfolio. It reviews all applications, eliminates potentially problematic loans at the loan application and assessment stage and constantly monitors existing loan portfolios for early warning signs.

The credit rating of the counterparty is fundamental to final credit decisions. The Bank adopts a robust credit rating system based on global best practices in determining obligor and facility risks, thus enabling it to maintain its risk asset quality at the desired level. The Bank assigns credit ratings to all credit requests. These ratings are based on the Obligor Risk Rating (ORR), calculated using the financial and non-financial information of the potential borrower. The ORR measures the obligor's probability of default (PD) over a defined timeline, usually 12 months.

The Bank's operational measurements for credit risk conform to the impairment allowances required under the International Financial Reporting Standards (IFRS).

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model.

This requires considerable judgement on how changing economic factors affect ECLs, which will be determined on a probability-weighted basis. The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time.

Assessing the credit risk in a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratio and default correlations between counterparties.

Quest Merchant Bank has developed models to quantify credit risk. These rating and scoring models are used for all key credit portfolios and form the basis for measuring default risks. In measuring the credit risk of loans and advances at a counterparty level, the Bank considers two components:

- The PD by the client or counterparty on its contractual obligations, from which the Group derives the exposure at default (EAD); and
- The likely ratio on the defaulted obligations (LGD).

The models are regularly assessed to ensure that they are robust compared to actual performance and are modifieded periodically to improve efficiency. The Risk Management department manages credit risk exposures for debt instruments using the Bank's rating tools, complemented by external rating agencies such as Agusto & Co., GCR, Fitch, Standard & Poor's, or their equivalents.

The Bank is guided by the regulators' obligor limit, which is currently set at 50% of the Bank's shareholders' money unaffected by losses. In addition, Quest Merchant Bank uses other parameters internally to determine the appropriate limitations for each borrower. These factors include obligor rating, industry position and perceived requirements of major players, financial analysis, etc. The Bank imposes industry or economic sector limits to guard against concentration risk based on guidelines set by the regulators.

The industry or sector limits are derived from a rigorous analysis of the risks inherent in the industry or economic sector, recommended by the MCUC and approved by the Board. The Bank also limits the risk assets portfolio by the various maturity periods (maturity buckets). The maturity limits reflect the risk appetite and liquidity profile of the Bank. These limits may be reviewed and revised (outright removal, reduction or increase) during the year to align with the Bank's prevailing macro- and microeconomic expectations.

Quest Merchant Bank also sets internal credit approval limits in the credit process. The Bank's strategic focus and the stated risk appetite guide approval decisions and other limits established by the Board or regulatory authorities. The Bank ensures that each credit reviewed and granted is based on the strength of the borrower's repayment capacity, as measured by its cash flow. It also ensures its risk assets are well-secured, providing an alternative for exiting the exposure. The Bank has clearly defined guidelines and processes for the acceptance, evaluation, inspection and management of collateral pledged against credit facilities, which aligns with the Credit Risk Policy.

Quest Merchant Bank maintains placement lines for its counterparties and other financial institutions regulated by the CBN. These lines cover the settlement risks inherent in trading with these counterparties. The lines are implemented by the Treasury group and monitored by market risk. The limits are determined following a fundamental analysis of the counterparties and the presentation of findings and approval by the Board. Interbank placement limits are also guided by the regulatory single obligor limit.

Impairment and Provisioning Policies

Impaired risk assets and securities are risk assets and securities for which the Bank has determined that it will likely be unable to collect all or part of the principal and interest contractually due. Quest Merchant Bank classifies its risk assets and

- Neither due nor impaired are risk assets and securities on which there is no outstanding or unpaid contractual interest or principal repayment, and the Bank cannot establish that there is any objective evidence of impairment at the reporting dates. The Bank recognises an allowance based on the Expected Credit Loss (ECL) model on all risk assets and securities that fall into this classification.

- Past-due but not impaired are risk assets and securities where contractual interest or principal payments are past due, but the Bank believes impairment is inappropriate based on the level of security or collateral available and/or the collection stage of amounts owed to the Bank. The Bank recognises an allowance based on the ECL model on all risk assets and securities that fall into this classification.

- The Bank recognises an allowance based on the expected credit loss model on all risk assets and securities that fall within each classification.

Environmental and Social Risks

The Bank recognises that the context in which its business decisions are made is characterised by growing challenges related to population growth, urban migration, poverty, destruction of biodiversity and the ecosystem, pressure on food and other natural resources, security, climate change, lack of energy and poor infrastructure.

Client's business activities funded by the Bank can negatively impact the environment or local communities where these clients operate. The Bank's Environmental and Social Risk Policy seeks to ensure that the Bank is not actively enabling entities, individuals or activities that negatively impact local communities or the environment.

Liquidity and Market Risks

The Bank's activities expose it to liquidity and market risks, and it has clearly defined policies, procedures and documented practices for mitigating these risk exposures.

The section below provides an overview of the Bank's management process for the trading and banking book elements.

The trading book consists of assets actively traded by the Bank. These assets are limited to fixed income securities.

The Bank uses the following processes to manage this class of risk:

- Daily valuation of securities;
- Position limits;
- Factor-sensitive limits, including duration;
- Loss limits;
- Stress testing: sensitivity and scenario analysis;
- Value at risk; and
- Daily, weekly and monthly position evaluation.

The banking book highlights risks that are on the balance sheet. These risks are a result of adverse movements in interest rates changing the underlying value of assets, liabilities and earnings, and are monitored and measured using:

- Maturity gap analysis;
- Duration gap analysis;
- Repricing gap analysis;
- Earnings at risk;
- Interest margin analysis; and
- Stress testing-sensitivity and scenario analysis.

Liquidity Risk Management

Liquidity is crucial to Quest Merchant Bank's basic function, necessitating appropriate liquidity management methods. The Asset and Liability Committee (ALCO) is responsible for effectively managing the Bank's liquidity. Below are some of the practices and processes that the Bank employs in the management of liquidity risk:

- Cash flow projections;
- Contingency funding plans;
- Defined criteria for assets purchase;
- Diversification of funding sources (to mitigate against concentration risk);
- Maintenance of strong High Quality Liquid Asset buffer;
- Maintenance of a liquidity ratio in excess of the 20% regulatory floor;

- Liquidity gap analysis;
- Modelled deposit behavioural analysis;
- Liquidity stress testing;
- Scenario analysis.

Quest Merchant Bank monitors its liquidity position daily, while stress tests are updated and conducted monthly. The stress tests model various scenarios, ranging from mild to severe market conditions.

Settlement Risks

The Bank's activities may give rise to risk during transactions and trade settlements. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.

Risk Mitigation and Management Actions

The Bank mitigates the risk for certain transactions by conducting settlements through a settlement clearing house to ensure that a trade is settled only when both parties have fulfilled their contractual obligations.

Operational Risks

Quest Merchant Bank defines operational risk as direct or indirect loss arising from inadequate and/or failed internal processes, people, systems, or external events. This definition requires reviewing and monitoring all strategies and initiatives deployed in the Bank's people management, process improvements and engineering, technology investment and deployment, and managing all regulatory responsibilities and response to external threats.

Risk Management and Control takes an enterprise-wide view in monitoring strategic and reputational risk by implementing the following tools, practices and methodologies to ensure a holistic framework is implemented.

Risk Incident Reporting
The risk register is an internally developed, web-based risk incident reporting system deployed through the Quest Merchant Bank concentrations, intranet to log operational risk incidents Bank-wide to make process improvements and strengthen controls.

All staff members are encouraged to report operational risk incidents within their workspaces, whether or not they resulted in actual losses. As a result, As a result, the Bank has collated operational risk event data over the years. Information gathered is used to support the identification of risks concentrations, make process improvements and strengthen controls.

Risk Mapping and Assessment
This quantitative and qualitative risk assessment Bank is carried out every two years, enabling the risk profiling and mapping of prevalent operational risks.

All auditable units and departments are covered in the exercise. Risk assessments are also executed on new products, systems and processes to ensure appropriate controls are in place to mitigate identified risks.

The Bank conducts risk assessment on customers in line with extant regulations.

The risk assessment process begins with customers' declared profile layered by the transaction pattern, services conducted across the Bank's channels and other requirement from the relevant regulation and best practices.

The Bank maintains three broad risk classification for customers, viz high, medium and low.

The classification determine the depth of due diligence to be conducted on each customer with Politically Exposed Persons (PEPs) and other high risk customers requiring enhanced due diligence.

Operational Risk Reporting

Weekly, monthly and quarterly reports highlighting key operational risks identified are circulated to relevant stakeholders for awareness and timely implementation of mitigation strategies. Reports are also generated and circulated when required.

Operational Risk Management Governance Structure
The Board oversees the Bank's operational risk function through the BRMC. It ensures that the Operational Risk Policy is robust and provides a framework for the Bank's operational risk profile and limits. It also determines the adequacy and completeness of the Bank's risk detection and measurement systems, assesses the adequacy of risk mitigants, reviews and approves contingency plans for specific risks and lays down the principles on how operational risk incidents are to be identified, assessed, controlled, monitored and measured.
The BRMC reviews operational risk reports quarterly. The RMC monitors operational risk activities and approves key decisions before presenting to the Board.

It ensures the implementation of the guiding operational risk framework Bank-wide. It ensures all departments in the Bank are fully aware of the risks embedded in respective process flows and business activities.

All process owners are responsible for the day-to-day management of operational risks prevalent in the Bank's respective units, departments and groups. The internal audit function conducts independent reviews of the implementation of operational risk policies and procedures Bank-wide.

Business Continuity Management

To ensure the resilience of Quest Merchant Bank's business to any disruptive eventuality, the Bank has a robust Business Continuity Management (BCM) Policy. This assures timely resumption of its business with minimal financial losses or reputational damage and the continuity of service to its customers, vendors and regulators.

The Bank has a warm contingency site outside its premises, and various degrees of tests are carried out monthly, quarterly and annually to ensure that recovery benchmarks and targets are achieved. The tests also ensure that the various teams know their roles and responsibilities. The BCM Policy is reviewed annually and, when necessary, in line with changes in business, operational and regulatory requirements.

Compliance Department

The Bank has a separate department responsible for monitoring compliance with relevant regulations, circulars, directives and approved policies. Compliance management involves in close monitoring of KYC compliance by the Bank, driving timely rendition of regulatory returns, institutionalising of regulatory directives and ensuring the Bank's compliance adheres to local and global best practices.

Internal Control

Quest Merchant Bank's internal control framework is based on internal control guidelines recommended by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). COSO defines controls as a process effected by an entity's Board of Directors, Management and other personnel, designed to provide reasonable assurance of achieving objectives relating to operations, financial reporting and compliance.

These internal control principles were adopted to ensure that assets are protected, financial information is reliable, errors and frauds are prevented, and the Bank complies with internal and external laws, directives and policies. It is the most widely accepted international framework used to evaluate the existence and functionality of control principles, covering five components:

Policies and Guidelines

The internal control framework is supported by the Bank's ERM framework, which outlines the roles and responsibilities of the Directors, Management and staff of the Bank, as well as by risk and control self-assessments, which map specific risks to control mitigants and process manuals. These outline procedures for identifying, managing and documenting relevant processes and sub-processes. The control function of Quest Merchant Bank focuses on the following strategic priorities for improving the efficiency of internal control:

- Control Awareness and Engagement: Engagement between various business units, particularly the operations teams, during which control issues and adherence to policy and procedures are discussed exhaustively to successfully strengthen awareness of internal control and the responsibility of frontline staff in risk management;
- Process efficiencies and reduction of vulnerabilities in operational processes by engaging the business to reduce the number of processing touchpoints and avenues for human intervention in processes; and
- Periodic reporting to the Risk Management Committee and Executive Leadership Committee on control failures and the actions taken to address such failures.

Compliance Risks

Compliance risk is the risk of legal or regulatory sanctions, financial foreiture, or reputational damage the Bank may suffer due to its failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to its financial activities.

Overview

Compliance risk can be referred to as the risk of impairment to the Bank's integrity.

Compliance Objectives

The objectives of the Compliance function are to:
Implement sound procedures for monitoring company-wide statutory returns through the appropriate use of the institution's resources while still being consistent with the institution's goals and objectives;

- Ensure new and changed regulatory requirements are identified and reflected in the Bank's processes where appropriate;
- Ensure the Bank and its employees comply with regulatory requirements, internal and external policies and procedures, as well as relevant international developments, practices and trends;
- Establish standards and implement procedures to ensure that the compliance programmes throughout the Bank are effective and efficient in identifying, preventing, detecting and correcting non-compliance with applicable rules and regulations; and
- Drive the culture of compliance supported by strong tone at the top.

Compliance Risk Management Strategy

The following strategies shall guide the culture and conduct of compliance at all levels in the Bank:
Compliance shall be a component of the Bank's culture, starting at the top and with the Board of Directors and Executive Management leading by example. It shall be viewed as an integral part of the Bank's business activities and concerns every employee of the Bank.

Quest Merchant Bank shall hold itself up to high standards when carrying on its business and always strive to observe the spirit and uphold the letter of the law. Failure to consider the impact of its actions on its shareholders, clients, employees and the markets may result in significant adverse publicity and reputational damage, even if no law has been broken.

Good compliance risk management builds trust and protects the Bank's brand.

Identifying compliance risk, its assessment and appropriate risk response shall be elements to consider in any due diligence process, as compliance is an integral part of the Bank's business activities.

The Bank shall promote an appropriate compliance culture, including desired ethical behaviour. The Compliance function shall assist with entrenching a compliance culture in the Bank.

This includes promoting a culture that engenders awareness and recognition of the value of compliance risk identification, assessment, management, monitoring and reporting as part of daily activities.

Scope of the Compliance Function

The scope of the activities of the Compliance function, which is carried out in conjunction with Senior Management, the Risk Management group and all other divisions, departments and units of the Bank, covers:

- Promotion of a compliance culture across all levels of the Bank through empowerment programmes, education, training and development.
- Reports to Senior Management and the Board: Submit monthly and quarterly reports on AML/CFT/CPF measures and other compliance issues to Senior Management and the Board, respectively.

These reports provide the Board and Senior Management with information to enable them to evaluate the Bank's compliance with its regulatory obligations and provide appropriate feedback.

The reports also ensure that Directors and Senior Management are kept abreast of current trends and developments in the financial industry, particularly in compliance and AML/CFT/CPF risk management.

Know-Your-Customer (KYC) Procedures:

The foundation for onboarding a customer in Quest Merchant Bank entails a duly completed account opening form and collecting identification and other relevant information and documents.

Customer Due Diligence (CDD) is conducted prior to establishing any banking relationship with a customer. This includes identity and address verification and ascertaining the source of income and wealth of the customer.

Enhanced Due Diligence (EDD) is conducted on high-risk customers, including PEP, with the approval of Senior Management and Compliance required before the commencement of banking relationships with such high-risk customers.

As part of KYC and CDD procedures in the Bank, identification documents are requested and obtained to confirm the beneficial owners of a business and the organisation's control and structure.

Due to their perceived risk and compliance with regulatory requirements, the Bank takes requisite and regulatory measures when embarking on relationships with Designated Non-Financial Businesses and Professionals (DNFBPs).

Quest Merchant Bank has made it mandatory for customers to acquire a Bank Verification Number (BVN) prior to onboarding and transacting on their accounts and before they can access loans and purchase foreign exchange. This is a regulatory requirement from the Central Bank of Nigeria.

Transaction Monitoring:

All transactions are monitored through the automated AML/CFT/CPF Solution which raises alert for transactions seemly out of pattern (unusual or suspicious transactions) .

Also, event triggers can cause the manual monitoring of accounts. This may be escalated during customer conduct of transaction as observed by staff, regulatory inquiries, etc.

All staff members know that suspicious activities and transactions should immediately be referred to the Compliance Unit.

The Bank possesses several tools for monitoring transactions, ensuring sanctions compliance and reporting suspicious transactions to regulatory agencies. These tools are managed by the Compliance Department.

Transaction Reporting:

Regulatory and statutory requirements necessitate that certain reports and returns to be made to regulatory agencies. In Nigeria, four regulatory agencies are vested with the authority to receive transaction-based report viz: the Nigerian Financial Intelligence Unit (NFIU), Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC), Special Control Unit Against Money Laundering (SCUML). However, Suspicious Transaction Report (STR) is received, analyzed and disseminated only by the NFIU while SCUML covers for Designated Financial Business and Profession (DNFBP).

In accordance with the provisions of Sections 2, 6 and 10 of the Money Laundering (Prohibition) Act of 2011 as amended ('the Act'), the Bank renders reports to the NFIU and the Central Bank of Nigeria.

Relationship with Regulators and Law Enforcement Agencies

Quest Merchant Bank understands that part of its corporate and social role is cooperating with law enforcement agencies in the fight against financial crime.

To this end, the Bank maintains a cordial and supportive relationship with all regulatory and law enforcement agencies, promptly complies with all directives pursuant to the law and provides information to all regulators and other relevant agencies when requested.

Sanctions Compliance Management:

Quest Merchant Bank does not enter into any relationship with sanctioned individuals or entities.

The Bank's policy ensures that Compliance and the onboarding team to screen individuals and organisations who plan to enter a business relationship with the Bank or plan to carry out a transaction with or through the Bank's channels against the Bank's internal watch-list and other Lists (Nigerian Sanction List, UN Consolidated list, etc.

Sanction screening is done at account opening and on a realtime basis for all SWIFT transactions. Periodic sanction scanning is also conducted by Compliance Department on all customers in the Bank database. The Bank refrains from any relationship and/or transaction when their searches yield a true or positive match and ensure appropriate escalation is immediately initiated with NFIU and the Nigeria Sanction Commission.

Politically Exposed Persons (PEPs):

PEPs are individuals entrusted with prominent public functions and the people or entities associated with them.

As with other high-risk customers, enhanced due diligence measures are applied to PEPs to mitigate the AML/CFT/CPF risk they pose.

This is to ensure that the Bank adequately mitigates inherently high- risk activities emanating from PEPs such as money laundering, the financing of terrorism, etc.

Thorough review of information provided by customers and the transaction trends enables the Bank to mitigate the inherent risk effectively.

The establishment of new accounts for PEPs and the continuity of existing accounts is subject to the approval of the Bank's Senior Management, in line with the AML/CFT/CPF policy.

AML/CFT/CPF Principles for Correspondent Banking:

Quest Merchant Bank Limited establishes correspondent banking relationships with financial institutions to enhance its participation in cross border transactions, global trade and treasury activities. The Bank ensures that it carries out enhanced due diligence of its correpondent banks and makes it information available to respondent bank by subscribing to t h e Bankers Almanac, an international online portal that warehouses KYC information of financial institutions.

The Bank does not conduct business with shell banks or keep any payable-through accounts.

To mitigate AML/CFT/CPF concerns, the Bank guarantees that due diligence on its correspondent relationships is undertaken regularly.

AML/CFT/CPF and Compliance training:

The Bank places a high value on training its employees. Training sessions are conducted to ensure employees are familiar with AML/CFT/CPF laws, KYC principles and other information on compliance/corporate governance.

The Bank conducts several AML/CFT/CPF and compliance training session for staff including specialized training for enabling functions, and relationship managers.

Annual trainings are also conducted for senior management (who usually participate in the staff training) and Directors.

AML/CFT/CPF Audits:

The internal audit of the AML/CFT/CPF function is conducted annually to ensure an ever-evolving, fit-for-use Compliance function.

The audit aims to test and confirm the effectiveness of the Bank''s AML/CFT/CPF measures.

The audit report and findings are circulated to various levels of Senior Management and the Board. A follow-up to the audits takes place to ensure that the relevant issues are addressed and highlighted recommendations implemented.

Record Retention:

Customer identification documents are retained throughout the life of the account and for a minimum of five years after the cessation of the banking relationship, as required by the Act. The Bank's record retention policy is in line with the regulatory requirements.

Emerging Risks

Information and Cyber Security Risks

Many businesses are still plagued by cyber-threats and cyber-attacks, which can put their very existence in jeopardy or even bring about the collapse of the exposed organisations.

Cyber security risk is the probability of loss or harm related to technical infrastructure and the misuse of technology. On the other hand, information security risk is the possibility of loss arising from a breach or attack on information technology.

Quest Merchant Bank has a set of policies and procedures for systematically managing the Group's sensitive data. The Bank's Information Security Management System (ISMS) aims to minimise risk and ensure business continuity by proactively limiting the impact of a security breach. The following are specific steps the Bank has taken regarding its ISMS.

Information and Cyber Security Management

Information and cyber security strategies, frameworks, policies and other related controls commensurate to the risks associated with information assets (hardware, software, documents, backup media, etc.) have been implemented to ensure cyber resilience and protect the Bank's information assets.

These are continuously reviewed, monitored and reported. External consultants and experts are also hired to periodically analyse, assess and audit the Bank's IT infrastructure to ensure data security and protection.

Information and Cyber Risk Management

Awareness and Monitoring

The Bank's strategies for protecting the confidentiality, availability and integrity of its information assets - are constantly evaluated and monitored.

The key risks identified are communicated to relevant stakeholders. The Bank's IT infrastructure is periodically reviewed, assessed and audited by external consultants and other specialists to ensure that information assets are safe and secure. Controls are implemented and monitored by the appropriate parties, as required.

Regulatory Risks

Regulatory risk is the possibility that a change in laws or legislation will impact security, a business, or an entire sector. Quest Merchant Bank recognises that the Nigerian financial services business is constantly evolving, as are the rules accompanying it. However, the Bank is committed to the following:

- Ensure new and revised legal and regulatory requirements are identified, monitored and reflected in the rule book;
- Engage competent and experienced compliance teams to drive and implement the Bank's compliance framework;
- Effectively monitor the Group's compliance with laws and regulations, its code of conduct and corporate governance practices;
- Ensure regulatory requirements are incorporated in the operational procedure manual and the manual is kept up-to-date;
- Promptly submit regulatory returns and reports;
- Promptly comply with regulatory directives;
- Promptly implement recommendations from various regulatory examinations;
- Regularly engage regulators, SROs and industry colleagues to clarify grey areas; and
- Adhere to sound corporate governance practices and 'set the right tone at the top' with respect to regulatory compliance across the businesses.

06

Financial Statements

CORPORATE INFORMATION

Directors

Mr. Bello Maccido	Chairman	
Mr. Afolabi Olorode, FCA	Acting Managing Director	
Mrs. Oyinkansade Adewale, FCA	Independent Non-Executive Director	
Dr. Irene Ubiawhe-Akpofure	Non-Executive Director	
Mr. Akinlolu Osinbajo, SAN	Non-Executive Director	
Mr. Oluwole Oshin	Non-Executive Director	Appointed 30 December 2025
Mr. Adeniyi Falade	Non-Executive Director	Appointed 30 December 2025
Mr. Yusuf Abubakar	Independent Non-Executive Director	Appointed 30 December 2025

Registered Office	2 Broad Street Lagos Island Lagos
Bankers	Central Bank of Nigeria First Bank of Nigeria Plc Guaranty Trust Bank Plc Sterling Bank Plc FBN UK Limited Bank of Beirut (UK) Ltd FCMB UK Ltd Access Bank Plc Access Bank UK UBA America ABSA Bank Ltd AFREXIM Bank British Arab Commercial Bank Standard Chartered Bank Nigeria Ltd Oddo BHF
RC Number	264978
Tax Identification Number	00166797-0001
Company Secretary	Tolulope Adetugbo 2 Broad Street Lagos Island Lagos.
Independent Auditor	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Street Victoria Island Lagos

DIRECTORS' REPORT

The Directors present their report on the affairs of Quest Merchant Bank Limited (formerly known as FBNQuest Merchant Bank Limited) ("the Bank") and its subsidiary together with the audited consolidated and separate financial statements and the independent auditor's report for the year ended 31 December 2025.

(a) Legal form

The Bank was initially incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 14 February 1995. It was granted a license on 31 October 1995 to carry on the business of a discount house and commenced operations on 16 November 1995. The Central Bank of Nigeria (CBN) license for merchant Banking was obtained in May 2015, while merchant Banking operations commenced on 2 November 2015.

In August 2017, the Bank acquired 100% interest in two entities (FBNQuest Securities Limited and FBNQuest Asset Management Limited) and incorporated FBNQuest MB Funding SPV Plc on 28 March 2018 to form the Quest Merchant Bank Group ("the Group").

The Board of Directors of Quest Merchant Bank Limited at the meeting held on 14 December 2023 and 7 February 2024 approved the transfer of its subsidiaries, FBNQuest Securities Limited and FBNQuest Asset Management respectively, to its previous Parent Company, FirstHold Co Plc, effective 31 December 2023. This transfer was approved by the Central Bank of Nigeria on 24 December 2024.

Effective 16th January 2026, the Bank changed its name from FBNQuest Merchant Bank Limited to Quest Merchant Bank Limited, following the transfer of ownership of the Bank from First HoldCo Plc to Everquest Acquisition Limited on 28 November 2025.

(b) Principal activities

The principal activities of the Bank are provision of finance and credit facilities to non-retail customers, the provision of treasury management services, trading in and holding of Federal Government of Nigeria (FGN) bonds and other money market activities, dealing in and provision of foreign exchange services, financial consultancy and advisory services, acting as issuing house or otherwise managing, arranging or coordinating the issuance of securities.

(c) Operating results

Highlights of the Group and Bank's operating results for the year are as follows:

	Group	Group	Group	Group
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Gross earnings	81,495,227	63,074,624	81,495,227	63,074,624
Profit before minimum tax and income tax	15,908,492	12,897,611	15,908,492	12,897,611
Minimum tax	(406,924)	(318,994)	(406,924)	(318,994)
Profit after minimum tax	15,501,568	12,578,617	15,501,568	12,578,617
Income tax expense	(3,782,196)	(1,214,188)	(3,782,196)	(1,214,188)
Profit after tax	**11,719,372**	**11,364,429**	**11,719,372**	**11,364,429**

(d) Dividends

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 (2) of the Companies and Allied Matters Act (CAMA) 2020 of Nigeria, in 2025 paid dividend of N7.655 billion (2024: N1.01billion) for the period ended 31 December 2024. The Board of Directors proposed dividend of N7.314 billion for the year ended 31 December 2025 (31 December 2024: N7.655 billion). (See Note 48).

(e) Directors

The Directors of the Bank who held office during the year and up until date were as follows:

Mr. Bello Maccido	Chairman	
Mr. Afolabi Olorode, FCA	Acting Managing Director	
Mrs. Oyinkansade Adewale,	FCA Independent Non-Executive Director	
Dr. Irene Ubiawhe-Akpofure	Non-Executive Director	
Mr. Akinlolu Osinbajo, SAN	Non-Executive Director	
Mr. Oluwole Oshin	Non-Executive Director	Appointed 30 December 2025
Mr. Adeniyi Falade	Non-Executive Director	Appointed 30 December 2025
Mr. Yusuf Abubakar	Independent Non-Executive Director	Appointed 30 December 2025

DIRECTORS' REPORT (CONTINUED)

(f) Directors' shareholding

	31 December 2025			31 December 2024		
	Direct holdings	Indirect holdings	% Holding	Direct holdings	Direct Inholdings	% Holding
Directors						
Mr. Bello Maccido	-	-	-	-	-	-
Mr. Afolabi Olorode, FCA	-	-	-	-	-	-
Mrs. Oyinkansade Adewale, FCA	-	-	-	-	-	-
Dr. Irene Ubiawhe-Akpofure	-	-	-			
Mr. Akinlolu Osinbajo, SAN	-	-	-	-	-	-
Mr. Oluwole Oshin	1	1,372,259,400	32%	-	-	-
Mr. Adeniyi Falade	-	-	-	-	-	-
Mr. Yusuf Abubakar	-	-	-	-	-	-

(g) Directors' interests in contracts

For the purposes of section 303 of the Companies and Allied Matters Act 2020, none of the Directors had direct or indirect interests in contracts or proposed contracts with the Bank during the year (2024: Nil).

(h) Property and equipment and Intangible assets

Information relating to changes in property and equipment and intangible assets is given in Notes 29 and 30 to the consolidated and separate financial statements. In the Directors' opinion, the realisable value of the Group's properties is not less than the value shown in the consolidated and separate financial statements.

(i) Shareholding analysis

The shareholding pattern of the Bank as at 31 December 2025 (based on the issued and fully paid shares) is as stated below:

Share Range	Number of holders	Percentage of Holders %	Number of Holdings	Percentage of Holdings
0 - 100,000,000	1	0	1	0.000000023%
101,000,000 - 2,000,000,000	1	100	4,301,577,000	99.999999977%
	2	100	4,301,577,001	100%

The shareholding pattern of the Bank as at 31 December 2024 (based on the issued and fully paid shares) is as stated below:

Share Range	Number of holders	Percentage of Holders %	Number of Holdings	Percentage of Holdings
0 - 100,000,000	1	0	1	0.000000023%
101,000,000 - 2,000,000,000	1	100	4,301,577,000	99.999999977%
	2	100	4,301,577,001	100%

(j) Substantial interest in shares:

According to the register of members as at 31 December 2025, the following shareholders held the issued share capital of the Bank:

	Number of Holdings	Percentage of Holdings
Shareholders	1	0.000000023%
Mr. Oluwole Oshin	4,301,577,000	99.999999977%
Everquest Acquisition LLP	4,301,577,001	100%

On 8 October 2025, the Central Bank of Nigeria ("CBN" or "the Regulator") granted a conditional approval for the transfer of First HoldCo Plc's ("the previous shareholder") full ownership interest in the Bank to Everquest Acquisition LLP ("Everquest"), a private investment entity incorporated in Nigeria.

Everquest Acquisition LLP is a limited liability partnership with three (3) partners:
i. Custodian Investment Limited
ii. Aion Investment Limited
iii. Lakepoint Global Concepts Limited

The CBN's approval was conditional upon the requirement that no individual partner of Everquest shall hold more than 49% of the equity interest in the Bank.

As at 31 December 2025, the Bank had not yet achieved compliance with the CBN's 49% individual-ownership limit. The ownership restructuring process remains ongoing and subject to further regulatory review and approval.

According to the register of members as at 31 December 2024, the following shareholders held the issued share capital of the Bank:

DIRECTORS' REPORT (CONTINUED)

	Number of Shares held	Percentage of Shareholding (%)
Shareholders	1	0.000000023%
Mr. Adewale Arogundade	4,301,577,000	99.999999977%
First HoldCo Plc	4,301,577,001	100%

(k) Customer complaints

In compliance with the Central Bank of Nigeria (CBN) Circular referenced FPR/DIR/CIR/GEN/01/020, the Bank established a Customer Helpdesk to handle all customers' complaints. During the year, the Bank received five (5) customer complaints. (2024: one (l)).

(l) Fraud and Forgeries

There were no fraud nor forgery incidents that occurred in 2025 (2024:Nil)

(m) Donations and charitable gifts

The Group and Bank made contributions to charitable and non-political organisations amounting to N21.55 million (2024: N76.10 million) and N21.55 million (2024: N76.10 million) respectively during the year.

Donations to other organizations and individuals:	Group 31-Dec-25 N'000	Group 31-Dec-24	Group 31-Dec-25 N'000	Group 31-Dec-24
Financial literacy and public enlightenment	-	30,887	-	30,887
Contribution towards relief materials for flood	-	19,500	-	19,500
Sponsorship of The Chartered Institute of Bankers of Nigeria (CIBN) - Lagos Bankers'	-	8,500	-	8,500
Support to Industry IT standard compliance	-	8,000	-	8,000
Sponsorship of Indian Cultural Association	-	5,000	-	5,000
Sponsorship of Annual Bankers Committee	16,150	4,215	16,150	4,215
Epic walk to Bethesda	1,000	-	1,000	-
National Seminar for judges on Banking and	3,102	-	3,102	-
King's College Donation for Laboratory	300	-	300	-
Boys 2 Men Foundation supports financial literacy and personal development	1,000	-	1,000	-
Total	21,552	76,102	21,552	76,102

(n) Events after the reporting period

Subsequent to the reporting date, following the completion of the transfer of ownership from First HoldCo Plc to EverQuest Acquisition LLP, the Bank obtained all necessary regulatory and corporate approvals and completed the change of its name from FBNQuest Merchant Bank Limited to Quest Merchant Bank Limited.

The Bank also received additional capital contributions towards meeting its recapitalization requirements, which have been recognised as deposits for shares pending completion of the regulatory approval process. Following the reporting date, the Central Bank of Nigeria (CBN) granted approval for the Bank's recapitalisation, and the issuance of the corresponding share capital is currently being finalised.

Except for the matter described above, there have been no other subsequent events between the reporting date and the date of approval of these consolidated and separate financial statements that would require adjustment to, or disclosure in, these financial statements. (See Note 47)

(o) Human resources
Health, safety and welfare at work

The Group places a high premium on the health, safety and welfare of its employees in their places of work. Medical facilities are provided for employees and their immediate families at the Group's expense, up to stated limits.

(p) Employment of physically challenged persons

The Group and Bank had no physically challenged persons in its employment (2024: Nil). However, applications for employment by physically challenged persons are always duly considered, bearing in mind the aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group and Bank continues and that appropriate training is arranged. It is the policy of the Group and Bank that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

DIRECTORS' REPORT (CONTINUED)

(q) Employee involvement and training

The Group places considerable value on the involvement of its employees in its activities and continues to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group. In line with this, formal and informal channels of communication are employed in keeping the staff abreast of various factors affecting the performance of the Group. The Group organises in-house and external training for its employees.

(r) Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditor to the Bank. 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 Fund without any resolution being passed.

BY ORDER OF THE BOARD

Tolulope Adetugbo
FRC/2017/NBA/00000016157
Company Secretary
2 Broad Street
Lagos Island
Lagos.
26 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting standards") and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, Financial Reporting Council of Nigeria Act, 2011 (as amneded), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

Bello Maccido	**Afolabi Olorode**
Chairman	Acting Managing Director
FRC/2013/CISN/00000002366	FRC/2023/PRO/ICAN/002/572771
26 March 2026	26 March 2026

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT OF THE BOARD AUDIT COMMITTEE

To the members of Quest Merchant Bank Limited:

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, the members of the Board Audit Committee of Quest Merchant Bank Limited hereby report on the consolidated and separate financial statements for the year ended 31 December 2025 as follows:

(a) We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act, and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

(b)) We are of the opinion that the accounting and reporting policies of the Group and Bank are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2025 are satisfactory and reinforce the Group and Bank's internal control systems.

(c) As required by the provisions of the Central Bank of Nigeria circular BSD/1/2004 dated February 18, 2004 on "Disclosure of Insider-Related Credits in Financial Statements" we reviewed the insider - related credits of the Group and Bank and found them to be as disclosed (Note 43.2) in the consolidated and separate financial statements.
(d) We have deliberated on the findings of the external auditors, who have confirmed that necessary cooperation was received from management in the course of the audit and are satisfied with management's responses thereon and with the effectiveness of the Group and Bank's system of accounting and internal control.

Mrs. Oyinkansade Adewale, FCA
Chairman, Board Audit Committee
FRC/2013/ICAN/00000001775
26 March 2026

Other members of the Board Audit Committee are:
Dr. Irene Ubiawhe-Akpofure
Mr. Akinlolu Osinbajo (Member of committee)

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director and Chief Financial Officer hereby certify the financial statements of Quest Merchant Bank Limited and its subsidiary for the year ended 31 December 2025 as follows:

(a) That we have reviewed the audited consolidated and separate financial statements of the Bank for the year ended 31 December 2025.

(b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

(c) The audited consolidated and separate 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 Bank as of and for the year ended 31 December 2025.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Bank and its subsidiaries is made known to us by other officers of the companies, during the period end 31 December 2025.

(e) That we have evaluated the effectiveness of the Bank's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Bank's internal controls are effective as of that date.

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Bank's Auditors and Audit Committee:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarise and report financial data, and have identified for the Bank's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Bank's internal control.

Olamide Adeosun
Chief Financial Officer
FRC/2020/001/00000022332
26 March 2026

Afolabi Olorode
Ag. Managing Director
FRC/2023/PRO/ICAN/002/572771
26 March 2026

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING AS OF 31 DECEMBER 2025

The management of Quest Merchant Bank Limited ("the Bank") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council of Nigeria Act 2011 (as amended).

The management of Quest Merchant Bank Limited assessed the effectiveness of internal control over financial reporting of the Bank and its subsidiary (together "the Group") as of 31 December 2025 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of 31 December 2025, the management of Quest Merchant Bank 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 31 December 2025, the Group's internal control over financial reporting was effective.

The Bank's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December 2025 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears 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 Group's internal control over financial reporting.

Afolabi Olorode
Ag. Managing Director
FRC/2023/PRO/ICAN/002/572771
18 May 2026

Olamide Adeosun
Chief Financial Officer
FRC/2020/001/00000022332
18 May 2026

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 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, Afolabi Olorode, the Acting Managing Director, certify that:

(a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Quest Merchant Bank Limited ("the Bank") and its subsidiary (together "the Group");

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

(c) Based on my knowledge, the consolidated and separate 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 Group's other certifying officer and I:
- are responsible for establishing and maintaining internal controls;
- have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
- have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Bank's auditor and the audit committee:
- 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 Group's ability to record, process, summarize and report financial information; and
- That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.

(f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Afolabi Olorode
Acting Managing Director
FRC/2023/PRO/ICAN/002/572771
18 May 2026

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 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, Olamide Adeosun, the Chief Financial Officer, certify that:

(a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Quest Merchant Bank Limited ("the Bank") (and its subsidiary (together "the Group");

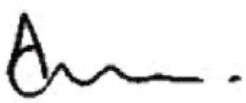
(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(c) Based on my knowledge, the consolidated and separate 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 Group's other certifying officer and I:
- are responsible for establishing and maintaining internal controls;
- have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
- have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Bank's auditor and the audit committee:
- 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 Group's ability to record, process, summarize and report financial information; and
- That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.

(f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.



Olamide Adeosun
Chief Financial Officer
FRC/2020/001/00000022332
18 May 2026

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

Independent Auditor's Limited Assurance Report

To the Shareholders of Quest Merchant Bank 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 Quest Merchant Bank Limited (formerly known as FBNQuest Merchant Bank Limited) ("the Bank") and its subsidiary (together "the Group") as of 31 December 2025 is effective in accordance with the criteria established in Internal Control

- Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

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

Basis for conclusion

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

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

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

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

Other matters

We have audited the consolidated and separate financial statements of Quest Merchant Bank Limited in accordance with the International Standards on Auditing, and our report dated 18 May 2026 expressed an unmodified opinion of those consolidated and separate financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Quest Merchant Bank 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 the Effectiveness of Internal Control over Financial Reporting.

Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

Our responsibilities

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

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

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

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

Definition and Limitations of Internal Control Over Financial reporting

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:

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

Obalọje

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

Independent Auditor's Report
To the Shareholders of Quest Merchant Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Quest Merchant Bank Limited (formerly known as FBNQuest Merchant Bank Limited) ("the Bank") and its subsidiary (together, "the Group"), which comprise:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Bank and Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Nigeria.

We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Expected Credit Loss (ECL) allowance on loans and advances to customers

See Note 26 of the consolidated and separate financial statements

Key audit matter	How the matter was addressed in our audit
The ECL allowance on loans and advances to customers is considered to be of most significance in the audit due to the high level of subjectivity, judgement, and assumptions applied by management in determining the amount to be recognized as loss allowance on the loans and advances to customers. The Group uses an ECL model to determine the loss allowance for loans and advances to customers. The ECL model requires the application of judgments, assumptions and certain financial indices estimated from historical data obtained within and outside the Group as input into the model. The loss allowance on the loans and advances is the output of the model and key judgments and assumptions include the following: • Definition of default adopted by the Group. • Determination of the criteria for assessing the significant increase in credit risk (SICR). • Incorporation of forward-looking information based on the economic scenarios within the model. • Determination of the 12-month and lifetime probability of default (PD) used in the ECL model. • Credit conversion factor (CCF) applied in modelling the exposure at default (EAD) for undrawn commitments; and • Estimation of the Loss Given Default (LGD) based on collateral values and other cash flows. Based on the above, we have determined it to be a key audit matter.	Our audit procedures in these areas included the following: • We evaluated the design and implementation of key controls over the ECL allowance assessment and disclosure processes such as: • Management's review of the model assumptions and inputs; and the resultant ECL allowance arising from the model. • Review and authorization of the ECL disclosures by management. • We assessed the Group's default definition and other qualitative default indicators by evaluating the requirements of the relevant accounting standards. • We evaluated the appropriateness of the Group's determination of SICR, defaults and the resultant classification of loans and advances to customers into stages on a sample basis by inspecting customer files for the terms of the loans and account statements for due and unpaid obligations. • For loans and advances to customers that have shown a significant increase in credit risk, we assessed the level of past due obligations and qualitative factors such as available industry information about the obligors to determine whether the Group should make an estimate based on the losses expected to result from default events within a year or defined default events over the life of the facilities. • Assisted by our Financial Risk Management (FRM) specialists, we evaluated the appropriateness of the key data and assumptions used in the ECL model of the Group. Our procedures in this regard include the following:

Key audit matter	How the matter was addressed in our audit
	• We challenged the appropriateness and reasonableness of the Group's ECL methodology by considering whether it reflects unbiased and probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions. • For forward-looking assumptions comprising the Prime lending rate and Crude oil price used, we corroborated the Group's assumptions using publicly available information from external sources and assessed for appropriateness in the Group's circumstances. • We agreed the CCF applied in modelling the EAD for undrawn commitments by evaluating the Group's computation for compliance with the portfolio segmentation. • For PD used in the ECL calculation, we inspected the model used for its calculation and evaluated the completeness and accuracy of the data used for default and non-default categories for corporate and staff loans. • We evaluated the calculation of the LGD used by the Group in the ECL calculations, including the appropriateness of the use of collateral, by recomputing the LGD, cashflow validation, and assessing the haircuts applied on the recoverability of collateral considering the current economic computations by evaluating the competence of the valuers. • We independently re-performed the calculation of ECL allowance for loans and advances to customers using the Group's ECL model and inspected key inputs.

KPMG

Key audit matter	How the matter was addressed in our audit
	• We evaluated the adequacy of the consolidated and separate financial statements disclosures, including the disclosures of key assumptions and judgements, and also assessed whether disclosures in the consolidated and separate financial statements appropriately reflect the Group's exposure to credit risk in line with the requirements of the relevant accounting standards.

Other information

The Directors are responsible for the other information. The other information comprises the Director's report, Statement of director's responsibilities, Report of the Board Audit Committee, Corporate Governance report, Statement of corporate responsibility, Report on the effectiveness of Internal Control over Financial Reporting, Certification pursuant to Section 1.3 of the Financial Reporting Council of Nigeria's guidance on management report on Internal Control over Financial Reporting, Statement of prudential adjustments and Other national disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS® Accounting Standards 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, the Financial Reporting Council of Nigeria Act, 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Bank and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

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

- The Bank and Group paid penalties amounting to N397.5 million in respect of contraventions of Central Bank of Nigeria's Guidelines and Circulars during the year ended 31 December 2025 as disclosed in note 46 to the consolidated and separate financial statements.
- Related party transactions and balances are disclosed in note 43 to the consolidated and separate financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

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

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Group's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 18 May 2026. That report is included in the annual report.

Signed:

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

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
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FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED

In thousands of Naira	Note	Group 31 Dec 2025	Group 31 Dec 2024	Bank 31 Dec 2025	Bank 31 Dec 2024
Interest income calculated using the effective interest method	8(a)	65,560,350	43,437,178	65,560,350	43,437,178
Other interest income	8(b)	2,021,534	5,579,927	2,021,534	5,579,927
Interest expense	9	(48,011,333)	(38,101,547)	(48,011,333)	(38,101,547)
Net interest income		**19,570,551**	10,915,558	19,570,551	10,915,558
Net impairment (charge)/write-back on financial assets	10	(3,579,370)	345,191	(3,579,370)	345,191
Net interest income after impairment (charge)/writeback on financial assets		15,991,181	11,260,749	15,991,181	11,260,749
Fee and commission income	11	9,020,748	8,159,045	9,020,748	8,159,045
Net gains on foreign exchange	12	717,914	5,745,655	717,914	5,745,655
Net gains on financial assets at FVTPL	13(a)	2,877,716	3,669,184	2,877,716	3,669,184
Net gains/(loss) on financial assets at FVOCI	13(b)	1,152,177	(4,158,059)	1,152,177	(4,158,059)
Other operating income	14	144,788	641,694	144,788	641,694
Operating income		**29,904,524**	25,318,268	29,904,524	25,318,268
Personnel expenses	16	(6,057,594)	(5,502,933)	(6,057,594)	(5,502,933)
Depreciation of property, plant and equipment	29	(863,997)	(769,751)	(863,997)	(769,751)
Amortisation of intangible assets	30	(55,376)	(119,592)	(55,376)	(119,592)
Other operating expenses	15	(7,019,066)	(6,028,381)	(7,019,066)	(6,028,381)
Operating expenses		**(13,996,033)**	(12,420,657)	(13,996,033)	(12,420,657)
Profit before minimum tax and income tax expense		**15,908,492**	12,897,611	15,908,492	12,897,611
Minimum tax	17a(I)	(406,924)	(318,994)	(406,924)	(318,994)
Profit before income tax		**15,501,568**	12,578,617	15,501,568	12,578,617
Income tax expense	17a(ii)	(3,782,196)	(1,214,188)	(3,782,196)	(1,214,188)
Profit for the year		**11,719,372**	11,364,429	11,719,372	11,364,429
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Movement in fair value reserve (FVOCI debt instruments)					
Debt securities at FVOCI- net change in fair value		9,265,115	2,155,609	9,265,115	2,155,609
Fair value gain on derecognized FVOCI debt securities reclassified to P/L		(2,380,456)	(3,431,459)	(2,380,456)	(3,431,459)
Items that will not be reclassified to profit or loss					
Equity investment at FVOCI - net change in fair value		3,153,531	178,969	3,153,531	178,969
Other comprehensive loss for the year	40(a)	**10,038,190**	**(1,096,881)**	10,038,190	**(1,096,881)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**21,757,562**	**10,267,548**	21,757,562	**10,267,548**
Profit attributable to					
Holders of ordinary shares of the Bank		11,719,372	11,364,429	11,719,372	11,364,429
Total comprehensive income/(loss) attributable to					
Holders of ordinary shares of the Bank		21,757,562	10,267,548	21,757,562	10,267,548
Basic/diluted earnings per share (kobo)	18(a)	272	264	272	264

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

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED

		Group	Group	Bank	Bank
In thousands of Naira	Note	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
ASSETS					
Cash and balances with Central Bank of Nigeria	19	20,768,561	29,007,013	20,768,561	29,007,013
Due from other Banks	20	114,796,664	190,770,274	114,796,664	190,770,274
Financial assets at fair value through profit or loss	22	9,456,783	34,593,944	9,456,783	34,593,944
Loans and advances to customers	26	131,648,734	124,393,540	131,648,734	124,393,540
Investment securities:					
– Fair value through OCI					
– Amortised cost	23	203,583,119	93,341,381	203,583,119	93,341,381
Pledged assets	24	22,480,122	1,503,781	22,480,122	1,503,781
Other assets	25	28,854,623	7,725,993	28,854,623	7,725,993
Investment in subsidiaries	27	7,401,557	7,347,197	7,401,557	7,347,197
Property and equipment	28	–	–	1,000	1,000
Intangible assets	29	5,684,318	2,899,774	5,684,318	2,899,774
Deferred tax asset	30	107,554	153,974	107,554	153,974
Total assets	32	6,138,300	9,113,548	6,138,300	9,113,548
		550,920,335	**500,850,419**	**550,921,335**	**500,851,419**
LIABILITIES					
Due to Banks					
Due to customers	33	42,611,205	13,078,649	42,611,205	13,078,649
Current tax liabilities	34	242,330,170	351,496,546	242,330,170	351,496,546
Borrowings	17(b)	1,422,339	1,678,740	1,422,339	1,678,740
Other liabilities	35	8,022,353	8,022,453	8,022,353	8,022,453
Other deposit liabilities	36	64,731,359	52,411,688	64,732,359	52,412,688
Total liabilities	37	134,673,797	31,136,158	134,673,797	31,136,158
		493,791,222	**457,824,234**	**493,792,222**	**457,825,234**
EQUITY					
Share capital					
Share premium	38	4,301,577	4,301,577	4,301,577	4,301,577
Retained earnings	39	3,904,731	3,904,731	3,904,731	3,904,731
Statutory reserve	39	27,063,850	25,287,269	27,063,850	25,287,269
Regulatory risk reserve	39	13,103,360	11,345,154	13,103,360	11,345,154
Fair value reserve	39	2,676,805	2,146,854	2,676,805	2,146,854
Total equity	40	6,078,790	(3,959,400)	6,078,790	(3,959,400)
		57,129,113	**43,026,185**	**57,129,113**	**43,026,185**
Total equity and liabilities		**550,920,335**	**500,850,419**	**550,921,335**	**500,851,419**

The consolidated and separate financial statements were approved by the Board of Directors on 18 May 2026 and signed on its behalf by:

Bello Maccido
Chairman
FRC/2013/CISN/00000002366

Afolabi Olorode
Ag. Managing Director
FRC/2023/PRO/ICAN/002/572771

Olamide Adeosun
Chief Financial Officer
FRC/2020/001/00000022332

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

QUEST MERCHANT BANK LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

Group **In thousands of Nigerian Naira**	Share capital	Share premium	Fair Value reserve	Retained earnings	Statutory reserves	Regulatory risk reserve	General reserve	Total Equity
Balance at 1 January 2025	**4,301,577**	**3,904,731**	**(3,959,400)**	**25,287,269**	**11,345,154**	**2,146,854**	**–**	**43,026,185**
Profit for the year	–	–	–	11,719,372	–	–	–	11,719,372
Other comprehensive income								
Debt securities at FVOCI- net change in fair value	–	–	9,265,115	–	–	–	–	9,265,115
Fair value gain on derecognized FVOCI debt securities reclassified to P/L	–	–	(2,380,456)	–	–	–	–	(2,380,456)
Equity investment at FVOCI - net change in fair value	–	–	3,153,531	–	–	–	–	3,153,531
		–	**10,038,190**	**–**	**–**	**–**	**–**	**10,038,190**
Total comprehensive income	**–**	**–**	**10,038,190**	**11,719,372**	**–**	**–**	**–**	**21,757,562**
Transactions with equity owners	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	(7,654,634)	–	–	–	(7,654,634)
				(7,654,634)	–	–	–	**(7,654,634)**
Transfers during the year	–	–	–	(2,288,157)	1,758,206	529,951	–	–
At 31 December 2025	**4,301,577**	**3,904,731**	**6,078,790**	**27,063,850**	**13,103,360**	**2,676,805**	**–**	**57,129,113**

Group **In thousands of Nigerian Naira**	Share capital	Share premium	Fair Value reserve	Retained earnings	Statutory reserves	Regulatory risk reserve	General reserve	Total Equity
Balance at 1 January 2024	**4,301,577**	**3,904,731**	**(2,666,368)**	**24,493,680**	**9,640,489**	**1,958,934**	**26,598**	**41,659,641**
Profit for the year	–	–	–	**11,364,429**	–	–	–	11,364,429
Other comprehensive income								
Debt securities at FVOCI- net change in fair value	–	–	2,155,609	–	–	–	–	2,155,609
Fair value gain on derecognized FVOCI debt securities reclassified	–	–	(3,431,459)	–	–	–	–	(3,431,459)
to P/L	–	–	178,969	–	–	–	–	178,969
Equity investment at FVOCI - net change in fair value			**(1,096,881)**	–	–	–	–	**(1,096,881)**
	–	–	**(1,096,881)**	**11,364,429**	–	–	–	**10,267,548**
Total comprehensive income								
	–	–	(196,151)	(8,678,255)	–	–	(26,598)	(8,901,004)
Derecognition of the disposed subsidiaries' reserves	–	–	–	(1,892,585)	1,704,665	187,920	–	–
Transfers during the year								
	4,301,577	**3,904,731**	**(3,959,400)**	**25,287,269**	**11,345,154**	**2,146,854**	**–**	**43,026,185**
At 31 December 2024								

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED

Bank In thousands of Nigerian Naira	Share capital	Share premium	Fair Value reserve	Retained earnings	Statutory reserves	Regulatory risk reserve	Total Equity
Balance at 1 January 2025	**4,301,577**	**3,904,731**	**(3,959,400)**	**25,287,269**	**11,345,154**	**2,146,854**	**43,026,185**
Profit for the year	–	–	–	11,719,372	–	–	11,719,372
Other comprehensive income							
Debt securities at FVOCI- net change in fair value	–	–	9,265,115	–	–	–	9,265,115
Fair value gain on derecognized FVOCI debt securities reclassified to P/L	–	–	(2,380,456)	–	–	–	(2,380,456)
Equity investment at FVOCI - net change in fair value	-	–	3,153,531	–	–	–	3,153,531
	-	–	**10,038,190**	–	–	–	**10,038,190**
Total comprehensive income	–	–	**10,038,190**	**11,719,372**	–	–	**21,757,562**
Transactions with equity owners							
Dividend paid	–	–	–	(7,654,634)	–	–	(7,654,634)
	-	-	-	**(7,654,634)**	–	–	**(7,654,634)**
Transfers during the year	–	–	–	(2,288,157)	1,758,206	529,951	–
At 31 December 2025	**4,301,577**	**3,904,731**	**6,078,790**	**27,063,850**	**13,103,360**	**2,676,805**	**57,129,113**

Bank In thousands of Nigerian Naira	Share capital	Share premium	Fair Value reserve	Retained earnings	Statutory reserves	Regulatory risk reserve	Total Equity
Balance at 1 January 2024	**4,301,577**	**3,904,731**	**(2,666,368)**	**15,815,424**	**9,640,489**	**1,958,934**	**32,758,636**
Profit for the year	–	–	–	**11,364,429**	–	–	11,364,429
Other comprehensive income							
Debt securities at FVOCI- net change in fair value	–	–	2,155,609	–	–	–	2,155,609
Fair value gain on derecognized FVOCI debt securities reclassified to P/L	–	–	(3,431,459)	–	–	–	(3,431,459)
Equity investment at FVOCI - net change in fair value	-	-	178,969	-	–	–	178,969
	-	-	**(1,096,881)**	-	–	–	**(1,096,881)**
Total comprehensive income	–	–	**(1,096,881)**	**11,364,429**	–	-	**10,267,548**
Transfers during the year	–	–	–	(1,892,584)	1,704,665	187,920	–
At 31 December 2024	**4,301,577**	**3,904,731**	**(3,959,400)**	**25,287,269**	**11,345,154**	**2,146,854**	**43,026,184**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOW FOR THE YEAR ENDED

		Group	Group	Bank	Bank
In thousands of Naira	Note	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Operating activities					
Cash generated from operations	41	32,258,579	179,112,745	32,258,579	179,112,745
Interest received	41(xiv)	61,789,004	43,101,216	61,789,004	43,101,216
Interest paid	41(xv)	(42,065,003)	(28,599,933)	(42,065,003)	(28,599,933)
Income tax paid	17(b)	(1,153,023)	(95,880)	(1,153,023)	(95,880)
Net cash generated from operating activities		**50,829,557**	**193,518,148**	**50,829,557**	**193,518,148**
Investing activities					
Proceeds from sale/maturity of investment securities	41(xiii(b))	116,130,678	53,673,046	116,130,678	53,673,046
Purchase of investment securities	41(xiii(a))	(231,361,343)	(79,450,335)	(231,361,343)	(79,450,335)
Purchase of property and equipment	29	(3,853,390)	(794,810)	(3,853,390)	(794,810)
Proceeds from sale of property and equipment	41(xi)	216,143	67,065	216,143	67,065
Purchase of intangible asset	30	(8,957)	(112,715)	(8,957)	(112,715)
Net cash used in investing activities		**(118,876,869)**	**(26,617,749)**	**(118,876,869)**	**(26,617,749)**
Financing activities					
Dividend paid		(7,654,634)	-	(7,654,634)	-
Interest paid on borrowings	41(xvii)	(493,193)	(1,436,631)	(493,193)	(1,436,631)
Repayment of borrowings	41(xvi)	-	(16,764,457)	-	(16,764,457)
Net cash used in financing activities		**(8,147,827)**	**(18,201,088)**	**(8,147,827)**	**(18,201,088)**
Increase/(decrease) in cash and cash equivalents		**(76,195,139)**	**148,699,311**	**(76,195,139)**	**148,699,311**
Cash and cash equivalents at beginning of year		190,995,046	45,765,543	**190,995,046**	36,721,415
Derecognized on disposal of subsidiaries	28(c)	-	(9,044,128)	**-**	-
Effect of exchange rate fluctuations on cash held		695,463	5,574,320	**695,463**	5,574,320
Cash and cash equivalents at the end of the year	21	**115,495,370**	**190,995,046**	**115,495,370**	**190,995,046**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Reporting entity

These are the consolidated and separate financial statements of Quest Merchant Bank Limited "the Bank", and its subsidiary (hereafter referred to as "the Group"). Quest Merchant Bank Limited (formerly called FBNQuest Merchant Bank Limited) was initially incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 14 February 1995. It was granted a license on 31 October 1995 to carry on the business of a discount house and commenced operations on 16 November 1995. The Central Bank of Nigeria (CBN) license for merchant Banking was obtained in May 2015 while merchant Banking operations commenced on 2 November 2015.

The principal activities of the Bank are portfolio management and provision of finance and credit facilities to non-retail customers, the provision of treasury management services, trading in and holding of Federal Government of Nigeria (FGN) bonds and other money market activities, dealing in and provision of foreign exchange services, financial consultancy and advisory services, acting as issuing house or otherwise managing, arranging or coordinating the issuance of securities.

Quest Merchant Bank is a limited liability company incorporated and domiciled in Nigeria. It is a subsidiary of Custodian Investment Limited, through Everquest Acquisition LLP, a limited liability partnership. The address of its registered office is as follows:

2 Broad Street
Lagos Island
Lagos

2.1 Statement of Compliance

The consolidated and separate financial statements of the Group and Bank have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), Companies and Allied Matters Act (CAMA), 2020, Financial Reporting Council of Nigeria Act 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars. Additional information required by national regulations is included where appropriate.

The accounting policies adopted are consistent with those of the previous financial period.

The consolidated and separate financial statements of the Group and Bank for the year ended 31 December 2025 were approved for issue by the Board of Directors on 16 May 2026.

2.2 Basis of measurement

These consolidated and separate financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets measured at fair value through profit or loss.
- Financial instruments measured at fair value through other comprehensive income.

2.3 Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Nigerian Naira (N), which is the Bank's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

2.4 Use of estimates and judgements

In preparing these consolidated and separate financial statements, management has made judgements and estimates about the future that affect the application of the Group and Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group and Bank's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 7.

2.5 Changes in material accounting policies

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

2.6 New standards, interpretations and amendments to existing standards that are not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group and Bank have not yet adopted the new and amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated and separate financial statements.

New IFRS® Accounting Standards or amendments	Effective date	Summary of the requirements and impact assessment
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1-Jan-26	The International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments. The key amendments include the following: • Settlement of financial liabilities through electronic payment systems: The amendments clarify that a financial liability is derecognised on the 'settlement date'. However, the amendments provide an exception for the derecognition of financial liabilities. This exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system,provided that specified criteria are met.

New IFRS® Accounting Standards or amendments	Effective date	Summary of the requirements and impact assessment
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (continuted)	1-Jan-26	• Additional SPPI Test for Contingent Features: The amendments introduce an additional SPPI test for financial assets with contingent features that are not directly related to a change in basic lending risks or costs – for example, where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets, including those with ESG-linked features, could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. • Clarification on Contractually Linked Instruments (CLIs): The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. They also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). • Additional Disclosure Requirements: The amendments require additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to a change in basic lending risks or costs and are not measured at fair value through profit or loss. The Group is yet to carry-out an assessment to determine the impact that the amendments could have on its business; however, the Group will adopt the standard for the year ending 31 December 2026.
IFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-27	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The new standard introduces the following key new requirements:

New IFRS® Accounting Standards or amendments	Effective date	Summary of the requirements and impact assessment
IFRS 18 Presentation and Disclosure in Financial Statements (continuted)	1-Jan-27	• 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. The Group is yet to carry-out an assessment to determine the impact that the amendments could have on its business; however, the Group will adopt the standard for the year ending 31 December 2027.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

New IFRS® Accounting Standards or amendments	Effective date	Summary of the requirements and impact assessment
Annual Improvements to IFRS Accounting Standards – Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash flows		
IFRS 1 First-time Adoption of International Financial Reporting Standards	1-Jan-26	Paragraphs B5–B6 of IFRS 1 First-time Adoption of International Financial Reporting Standards was amended to: a. improve their consistency in wording with the requirements in IFRS 9 Financial Instruments; and b. add cross-references to improve the understandability of IFRS 1.
IFRS 7 Financial Instruments: Disclosures	1-Jan-26	• Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. • Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance. • Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.

New IFRS® Accounting Standards or amendments	Effective date	Summary of the requirements and impact assessment
IFRS 9 Financial Instruments	1-Jan-26	• Initial measurement of trade receivables. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without asignificant financing component at the amount determined by applying IFRS 15 Amendment on trade receivables could prompt accounting policy change. • Derecognition of a lease liability. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.
IFRS 10 Consolidated Financial Statements	1-Jan-26	The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
IAS 7 Statement of Cash Flows	1-Jan-26	This amendment replaces the term 'cost method' in paragraph 37 of IAS 7 with 'at cost'.
The Group is yet to carry-out an assessment to determine the impact that the amendments could have on its business; however, the Group will adopt the standard for the year ending 31 December 2026.		

2.7 Basis of accounting

These consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards, and on a going concern basis, as management is satisfied that the Group and Bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Group.

Details of the Group's accounting policies, including changes thereto, are included in Note 3.

2.8 Measurement of fair values

A number of the Bank's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Bank has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the Chief Risk Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or prices services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank's Board Risk Management Committee.

When measuring the fair value of an asset or a liability, the Bank uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

3.1 Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interest (NCI)

NCIs are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Acquisition under common control

Business combinations between entities that are under common control are accounted for at book values. The assets and liabilities acquired or transferred are recognised or derecognised at the carrying amounts previously recognised in the Bank controlling shareholder's consolidated and separate financial statements. The components of equity of the acquired entities are added to the same components within the Bank's equity and any gain/loss arising is recognised directly in equity.

3.2 Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising from translation are generally recognised in profit or loss and presented within finance costs.

ii. Determination of exchange rate used for translation

The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Nigerian Autonomous Foreign Exchange (NAFEX) rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Bank's transactions.

3.3 Interest income and interest expense

i. Effective interest rate

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

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

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

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

ii. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on 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 expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance

iii. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins.However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:
- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;

Interest expense presented in the statement of profit or loss and OCI includes:
- financial liabilities measured at amortised cost;
- interest expense on lease liabilities.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group' s trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net gains or losses on financial assets at fair value.

3.4 Fees and commissions income and expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Fees and commission inocme from contracts with customers is measured based on the consideration specified in a contract with a customer.

Fees and commission from contract with customers is measured based on the consideration specified in a contract with customers, including significant pay terms, and the related revenue recognition policies.

Fee and commission presented in the income statement includes:

Type of Service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies under IFRS 15
Investment Banking Service	The Group investment Banking segment provides various finance -related services including loan administration, agency services and advisory services. Fees from credit-related services such as loan management fees on loan issued to customers are charged to customers account upon loan disbursement. Transaction based fees such as brokerage and restructuring fees, agency fees are charged to the customer as soon as the performance obligation is satisfied.	Revenue from credit-related services is recognised at a point in time, when the loan agreement is finalised and the loan is disbursed to the customer. Revenue from brokerage and restructuring services is recognised at a point in time when each contractual milestone is achieved and control of the services is transferred to the customer. Revenue from agency services is recognised at the point the related service is executed.

3.5 Net gains on financial assets at FVTPL and Net gains on foreign exchange

Net trading income and foreign exchange income comprises gains less losses related to financial instruments measured at fair value through profit or loss held for trading, and includes all realised and unrealised fair value changes and foreign exchange differences.

3.5(b) Net gains/(loss) on financial assets at FVOCI

This comprises gains and losses on disposal of financial instruments measured at fair value through other comprehensive income and also fair value gain/loss of derecognized financial instruments at fair value through OCI reclassified to profit or loss from fair value reserves.

3.6 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period.

3.7 Gross revenue

Gross revenue of the Bank is made up of interest income, fee and commission income, net foreign gain/loss, net gains/(losses) on financial assets at fair value and other operating income.

3.8 Income tax

- Income tax comprises current Company Income Tax, Tertiary Education Tax and National and Information Technology Development Agency levy, the Nigeria Police Trust Fund levy and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

- **Current tax**
  Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is assessed as follows:

- Company income tax is assessed on taxable profits
- Tertiary tax is computed on assessable profits
- National Information Technology
- Development levy is computed on profit before tax
- Nigerian Police Trust Fund is computed on profit after tax
- National Agency for Science and
- Engineering Infrastructure is computed on profit before tax

- Windfall levy is computed on realized foreign exchange gains.

- **Minimum tax**
  Total amount of tax payable under Company Income Tax Act is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12. The minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The minimum tax is determined based on the sum of 0.5% of gross earnings.Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax

- **Deferred tax**
  Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss (ii) does not give rise to equal taxable and deductible temporary differences;
• temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
• taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Bank in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deffered tax assets are reassessed at each reporting period and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred taxes is measured at the tax rates they are expected to be applied to temporary differences when they reverse, using tax rates enacted or subsequently enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.9 Cash and Bank balances

Cash and Bank balances include notes and coins in hand, current balances with other Banks, balances held with Central Bank and placements with Banks which are used by the Group in the management of its short-term commitments.

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, non-restricted current accounts with central Banks and amounts due from Banks on demand or with an original maturity of three months or less.

Cash and Bank balances are carried at amortised cost in the consolidated and separate statement of financial position.

3.10 Property and equipment

(a) Recognition and measurement
Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(b) Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c)Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

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

Freehold buildings	**50 years**
Leasehold improvements	**Over the shorter of the useful life of item or the lease period**
Motor vehicles	**4 years**
Furniture and Fittings	**5 years**
Computer equipment	**3 years**
Office equipment	**5 years**
Work in progress	**Not depreciated**

Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

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

3.11 Intangible assets

(a) Goodwill
Goodwill represents the excess of consideration over the Group's interest in net fair value of net identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(b) Software
Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

3.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses relating to goodwill are not reversed in future periods.

3.13 Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in the relevant assets depending on the nature and the Group's intention in respect of recovery of these assets; and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets. Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition (refer to the accounting policy for consolidation).

3.14 Deposits and debt securities issued

Deposits and debt securities in issue are the group's source of debt funding. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Deposits and debt securities in issue are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

3.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

3.16 Financial guarantee

Financial guarantee contracts are contracts that require the Group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the expected credit loss provision and the unamortised premium. Financial guarantees are included within other liabilities.

3.17 Employee benefits

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 employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Post-employment benefits

Defined contribution plans.
The Group operates defined contribution pension scheme. A defined contribution plan is a pension plan under which the Group makes fixed contributions on contractual basis.

The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

In accordance with the provisions of the Pensions Reform Act 2014, the Bank contributes 10% of the employees' basic salary, housing and transport allowances while the employees contribute 8%.

Termination benefits

The Group recognises termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

3.18 Share capital and reserves

(a) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(b) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(c) Fair value reserve

The fair value reserve comprises:
• the cumulative net change in the fair value of equity securities designated at FVOCI; and
• the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(d) Statutory reserve

This reserve is in compliance with the Prudential Guidelines for commercial, merchant and non-interest Banks that mandates that every Bank shall maintain a reserve fund appropriated out of its net profits for each year (after due provision made for taxation) and before any dividend is declared. The amount to be transferred to this reserve funds is equal to 15% of the net profit because the reserve fund is in excess of the Bank's paid up capital as stipulated by the guideline.

(e) Regulatory risk reserve

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

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

A more accelerated provision may be done using the subjective criteria. A general provision is taken on all risk assets that are not specifically provisioned, including facilities with Covid-19 and other related restructuring.

The results of the application of Prudential Guidelines and the impairment determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement.

Where the Prudential Guidelines provision is greater, the difference is appropriated from Retained Earnings and included in a non-distributable reserve "Statutory credit reserve". Where the IFRS 9 impairment is greater, no appropriation is made and the amount of the IFRS 9 impairment is recognised in income statement.

Following an examination, the regulator may also require more amounts be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to statutory risk reserve.

3.19 Earnings per share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Fiduciary activities

The Group commonly acts as trustees in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and incomes arising thereon are excluded from these financial statements, as they are not assets of the Group.

3.21 Stock of consumables

Stock of consumables comprise materials to be consumed in the process of rendering of services as well as Banking accessories held for subsequent issuance to customers. They are measured at the lower of cost and net realisable value. Cost comprises costs of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realisable value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recognised as an expense in the period in which the related revenue is recognised.

3.22 Financial instruments

a. (i) Recognition and initial measurement

Loans and advance, trade receivables, deposits and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. However, this will only happen in rare circumstances when the change in business model requirement has been met.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b. Business model assessment

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

• the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
• how the performance of the portfolio is evaluated and reported to the Group's management;
• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
• how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
• the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

c. SPPI assessment

Instruments held within a hold to collect or hold to collect and sell business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

d. Investment securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with our policy for allowance for credit losses, as described below (See Note 23 & 24). Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses.

Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on financial instrument at fair value.

Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized. Dividends from FVOCI equity securities are recognized in other operating income.

The Group accounts for all securities using settlement date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI except for changes in foreign exchange rates on debt securities, which are recorded in net trading and foreign exchange income.

(e) Loans and advances to customers

Loans and advances are debt instruments recognized initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognized as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortised into Other operating income over the commitment or standby period.

Impairment losses on loans are recognized at each balance sheet date in accordance with the three-stage impairment model outlined below.

(f) Allowance for credit losses

An allowance for credit losses (ECL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, overdrafts, debt securities and accrued interest receivable. These are carried at amortised cost and presented net of ECL on the Statement of Financial Position. ECL on loans is presented in Allowance for credit losses - loans and advances. ECL on debt securities measured at FVOCI is presented in Fair value reserve in equity.

Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. Off balance sheet products subject to impairment assessment, ECL is separately calculated and included in Other Liabilities – Provisions.

The Group measures loss allowances at an amount equal to lifetime ECL except for the following, for which they are measured as 12-month ECL

- debt investment securities to which credit risk has not increased significantly since their initial recognition, and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as stage 1 financial instruments. Financial instruments allocated to stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit impaired are referred to as Stage 2 financial instruments. Financial instruments allocated to stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

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

(g) Measurement of expected credit losses

ECL are probability weighted estimate of credit losses. They are measured as follows:

• Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
• Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
• Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
• Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

• Financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
• POCI assets: a credit-adjusted effective interest rate;
• Lease receivables: the discount rate used in measuring the lease receivable;
• Undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
• Financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

h. Expected life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

An exemption is provided for certain instruments with the following characteristics:

(a) the instrument includes both a loan and undrawn commitment component;
(b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and
(c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle.

Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices requires significant judgment.

i. Incorporation of forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate expected credit losses for Stage 1 and Stage 2 exposures are modelled using macroeconomic variables that show the strongest correlation with credit losses in each portfolio. Each forward-looking scenario used in the ECL calculation includes projections of these variables, weighted according to the assessed likelihood of each scenario. The key macroeconomic variables used in our models are crude oil prices and the prime lending rate.

For Stage 3 exposures, the same modelling framework applies; however, the estimation places greater emphasis on exposure-specific factors such as recoverable collateral values, cure expectations, realisable cash flows, and historical recovery experience. Forward-looking information, including the projected movements in crude oil prices and prime lending rates, continues to influence LGD and EAD outcomes for Stage 3 assets. Scenario-specific parameters are applied consistently across all stages to ensure that lifetime expected credit losses reflect current and forward-looking economic conditions.

Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Our assessment of significant increases in credit risk is based on changes in probability-weighted forward-looking lifetime PD as at the reporting date, using the same macroeconomic scenarios as the calculation of expected credit losses.

J. Credit-impaired financial assets (Stage 3)

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. For impaired financial assets with drawn and undrawn components, expected credit losses also reflect any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ECL.

Following impairment, interest income is recognized on the unwinding of the discount from the initial recognition of impairment. ECL for credit-impaired loans in Stage 3 are established at the borrower level, where losses related to impaired loans are identified on individually significant loans, or collectively assessed and determined through the use of portfolio-based rates, without reference to particular loans.

k. Individually assessed loans (Stage 3)

When individually significant loans are identified as impaired, we reduce the carrying value of the loans to their estimated realizable value by recording an individually assessed ECL to cover identified credit losses. The individually assessed ECL reflects the expected amount of principal and interest calculated under the terms of the original loan agreement that will not be recovered, and the impact of time delays in collecting principal and/or interest (time value of money). The estimated realizable value for each individually significant loan is the present value of expected future cash flows discounted using the original effective interest rate for each loan.

When the amounts and timing of future cash flows cannot be estimated with reasonable reliability, the estimated realizable amount may be determined using observable market prices for comparable loans, the fair value of collateral underlying the loans, and other reasonable and supported methods based on management judgment.

Individually-assessed allowances are established in consideration of a range of possible outcomes, which may include macroeconomic or nonmacroeconomic scenarios, to the extent relevant to the circumstances of the specific borrower being assessed. Assumptions used in estimating expected future cash flows reflect current and expected future economic conditions and are generally consistent with those used in Stage 1 and Stage 2 measurement.

Significant judgment is required in assessing evidence of credit-impairment and estimation of the amount and timing of future cash flows when determining expected credit losses. Changes in the amount expected to be recovered would have a direct impact on the Provision for credit losses and may result in a change in the ECL.

L. Write-off of loans

Loans and the related ECL are written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier.

Modifications of Financial Assets and Liabilities

Financial Assets
The credit risk of a financial asset will not necessarily decrease merely as a result of a modification of the contractual cash flows. If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, the Bank shall assess whether there has been a significant increase in the credit risk of the financial by comparing:

- the risk of a default occurring at the reporting date (based on the modified contractual terms); and
- the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

A modification shall however lead to derecognition of existing loan and recognition of a new loan i.e. substantial modification if:
- the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

The following shall be applicable to modified financial assets:
- The modification of a distressed asset shall be treated as an originated credit-impaired asset requiring recognition of life-time ECL after modification.
- The cumulative changes in lifetime expected credit losses since initial recognition shall be recognized as a loss allowance for purchase or originated credit-impaired financial asset at the reporting date.
- The general impairment model does not apply to purchased or originated credit-impaired assets.

The following situations (qualitative) may however not lead to a derecognition of the loan:
- Change in interest rate arising from a change in MPR which is the benchmark rate that drives borrowing rates in Nigeria;
- Change in financial asset's tenor (increase or decrease);
- Change in installment amount to higher or lower amount
- Change in the annuity repayment pattern, for example, from monthly to quarterly, half-yearly or yearly
- Change in the applicable financial asset fee

Modification gain or loss shall be included as part of allowance for credit loss for each financial year.

Financial Liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for a derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost and fees are incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument

M. 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.
When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

n. Classification and measurement of financial liabilities

The Group recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.

Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Group classifies its financial liabilities as measured at amortised cost, except for:
i. Financial liabilities at FVTPL: 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 from 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 Group's own credit risk, 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 Group's credit risk are also presented in profit or loss.

ii. Financial guarantee contracts and commitments.
Borrowings and subordinated liabilities are included as part of financial liabilities measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

3.23 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term. In addition. the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N50,000 when new, e.g., small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term. The Group has no short term or low value leases as at the reporting date

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4. Classification of financial assets and liabilities

The Group's financial instruments are categorised as stated below:

Group
31-Dec-25

	Financial assets				
	Note	FVTPL	FVOCI	Amortised cost	Amortised cost
Cash and balances with Central Bank of Nigeria	19	-	-	20,768,561	-
Due from other Banks	20	-	-	114,796,664	-
Financial assets at FVTPL	22	9,456,783	-	-	-
Financial assets at FVOCI	23	-	203,583,119	-	-
Amortised cost	24	-	-	22,480,122	-
Pledged assets	25	-	25,912,352	2,942,271	-
Loans and advances to customers	26	-	-	131,648,734	-
Other assets	27	-	-	4,785,945	-
Due to Banks	33	-	-	-	42,611,205
Due to other financial institutions	37	-	-	-	134,673,797
Due to customers	34	-	-	-	242,330,170
Borrowings	35	-	-	-	8,022,353
Other liabilities	36	-	-	-	63,875,123
		9,456,783	**229,495,471**	**297,422,297**	**491,512,647**

Bank
31-Dec-25

	Financial assets				
	Note	FVTPL	FVOCI	Amortised cost	Amortised cost
Cash and balances with Central Bank of Nigeria	19	-	-	20,768,561	-
Due from other Banks	20	-	-	114,796,664	-
Financial assets at FVTPL	22	9,456,783	-	-	-
Financial assets at FVOCI	23	-	203,583,119	-	-
Amortised cost	24	-	-	22,480,122	-
Pledged assets	25	-	25,912,352	2,942,271	-
Loans and advances to customers	26	-	-	131,648,734	-
Other assets	27	-	-	4,785,945	-
Due to Banks	33	-	-	-	42,611,204
Due to other financial institutions	37	-	-	-	134,673,797
Due to customers	34	-	-	-	242,330,170
Borrowings	35	-	-	-	8,022,353
Other liabilities	36	-	-	-	63,875,123
		9,456,783	**229,495,471**	**297,422,297**	**491,512,647**

Group
31-Dec-24

Financial assets

	Note	FVTPL	FVOCI	Amortised cost	Amortised cost
Cash and balances with Central Bank of Nigeria	19	–	–	29,007,013	–
Due from other Banks	20	–	–	190,770,274	–
Financial assets at FVTPL	22	34,593,944	–	–	–
Financial assets at FVOCI	23	–	93,341,381	–	–
Amortised cost	24	–	–	1,503,781	–
Pledged assets	25	–	7,725,993	–	–
Loans and advances to customers	26	–	–	124,393,540	–
Other assets	27	–	–	4,720,303	–
Due to Banks	33	–	–	–	–
Due to other financial institutions	37	–	–	–	13,078,649
Due to customers	34	–	–	–	351,496,546
Borrowings	35	–	–	–	8,022,453
Other liabilities	36	–	–	–	82,698,419
		34,593,944	101,067,374	350,394,911	455,296,068

Bank
31-Dec-24

Financial assets

	Note	FVTPL	FVOCI	Amortised cost	Amortised cost
Cash and balances with Central Bank of Nigeria	19	–	–	29,007,013	–
Due from other Banks	20	–	–	190,770,274	–
Financial assets at FVTPL	22	34,593,944	–	–	–
Financial assets at FVOCI	23	–	93,341,381	–	–
Amortised cost	24	–	–	–	–
Pledged assets	25	–	–	–	–
Loans and advances to customers	26	–	–	124,393,540	–
Other assets	27	–	–	4,720,303	–
Due to Banks	33	–	–	–	–
Due to other financial institutions	37	–	–	–	13,078,649
Due to customers	34	–	–	–	351,496,546
Borrowings	35	–	–	–	8,022,453
Other liabilities	36	–	–	–	82,699,419
		34,593,944	101,067,374	350,394,911	455,297,067

5 Fair value measurement of financial instruments
a Financial instruments measured at fair value.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank'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 Bank considers relevant and observable market prices in its valuations where possible.

Financial instruments in this category relates to unlisted instruments and since quoted market prices are not available, the fair values are estimated based on valuation techniques such as market approach (EV/EBITDA and EV/Revenue) where the adjusted price/earnings multiple of comparable companies is utilised.

Description of valuation methodology and inputs of unquoted equities:
The steps involved in estimating the fair value of the company's unquoted equity investments are as follows:
Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.
Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub- Saharan Africa and Emerging Asia and an average multiple was computed.
Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.
Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance
Step 5: A lack of illiquidity discount of 19.2% was applied to the equity value.
Step 6: The equity value was derived by multiplying the company's equity value by FBNQuest Merchant Bank equity stake.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Fair value hierarchy - financial instruments measured at fair value'
Group and Bank
31 December 2025

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
– Treasury bills	22	6,419,745	–	–	6,419,745
– Federal Government of Nigeria bonds	22	2,623,791	77,274	–	2,701,065
– Corporate bonds	22	335,973	–	–	335,973
		9,379,509	77,274	–	**9,456,783**
Investment securities at FVOCI					
– Treasury bills	23	105,902,484	–	–	105,902,484
– Pledged FGN bonds	25	8,699,322	–	–	8,699,322
– Pledged Treasury Bills	25	17,213,030	–	–	17,213,030
– Federal Government of Nigeria bonds	23	42,144,972	–	–	42,144,972
– Other Sovereign Bonds	23	47,460,847	–	–	47,460,847
– Corporate bonds	23	3,516,386	–	–	3,516,386
- Unlisted equities	23	–	–	4,558,430	4,558,430
		224,937,041	–	**4,558,430**	**229,495,471**

Fair value hierarchy - financial instruments measured at fair value'
Group and Bank
31 December 2025

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
– Treasury bills	22	32,965,744	–	–	32,965,744
– Federal Government of Nigeria bonds	22	1,490,606	–	–	1,490,606
– Corporate bonds	22	137,594	–	–	137,594
		34,593,944	–	–	**34,593,944**
Investment securities at FVOCI					
– Treasury bills	23	24,154,721	–	–	24,154,721
– Pledged FGN bonds	25	7,725,993	–	–	7,725,993
– Federal Government of Nigeria bonds	23	60,418,001	–	–	60,418,001
– Corporate bonds	23	3,626,418	–	–	3,626,418
– Other Sovereign Bonds	23	3,737,342	–	–	3,737,342
- Unlisted equities	23	–	–	1,404,899	1,404,899
		99,662,475	–	**1,404,899**	**101,067,374**

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily investments that are quoted on the Nigeria Exchange Group Plc (NGX Group) and Financial Market Dealers Quotation (FMDQ) Plc and on Bloomberg trading platforms which are classified as fair value through profit or loss (FVTPL) or Fair value through OCI.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
-The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
-The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.
Valuation techniques include market approach using comparable company analysis and precedent transaction analysis. Assumptions and inputs used in the valuation techniques include market multiples of comparable publicly traded companies, country risk discount, size discount, minority discount and marketability discount.

Level 3 Reconciliation

		GROUP		BANK	
31 December 2025 In thousands of Nigerian Naira	Note	Unlisted equities	Total	Unlisted equities	Total
Opening balance	23	1,404,899	1,404,899	1,404,899	1,404,899
Gain recognized in other comprehensive income (OCI)		3,153,531	3,153,531	3,153,531	3,153,531
Closing balance	23	4,558,430	4,558,430	4,558,430	4,558,430
Total gain for the year included in OCI		3,153,531	3,153,531	3,153,531	3,153,531

31 December 2024 In thousands of Nigerian Naira	Note	Unlisted equities	Total	Unlisted equities	Total
Opening balance	23	1,225,930	1,225,930	1,225,930	1,225,930
Gain recognized in other comprehensive income (OCI)		178,969	178,969	178,969	178,969
Closing balance	23	1,404,899	1,404,899	1,404,899	1,404,899
Total losses for the year included in OCI		178,969	178,969	178,969	178,969

Level 3 fair value measurements
i. Unobservable inputs used in measuring fair value

Type of Financial Instrument	Fair value as at 31 December 2025	Fair value as at 31 December 2024	Valuation technique	Significant unobservable input
Unquoted equity investment	4,558,430	1,404,899	Market Valuation Approach	- Illiquidity discount - Price earning multiples

The fair value of Quest Merchant Group's unquoted investment in FMDQ OTC and NIBSS were estimated using a market valuation approach. We applied a Price to Earnings multiple using comparable companies in Sub-Saharan Africa and Middle East based on the following criteria:

i. Industry Classification of Funds Transfer, Clearance & Exchange services and Securities & Commodity Exchanges; and
ii. Geographical focus of Sub-Saharan Africa and Middle East.

An illiquidity discount for non-marketability of FMDQ OTC and NIBSS shares of 19.2% (2024: 19.2%) was applied. The non-marketability discount is based on a survey by PwC (used for FBN Funds' unquoted investments).

Unquoted equity investments held at fair value through OCI relates to investment in Financial Markets Dealers Quotation (FMDQ) and investment in Nigeria Inter-Bank Settlement System (NIBSS). The markets where these securities could be traded are not readily ascertained hence the classification within level 3 of the fair value hierarchy.

The Bank has no current plans of disposing these securities.

ii. The effect of unobservable inputs on fair value measurements

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in Level 3, changing one or more of the assumptions would have the following effects.

The lowest and highest values if the price earning multiples decrease or increase by -5% and 5% respectively

	Lowest value	Highest value	Actual value
Financial Markets Dealers Quotation (FMDQ)	4,310,202	4,763,908	4,537,055
Nigeria Inter-Bank Settlement System (NIBSS)	20,306	22,444	21,375

b. Financial instruments not measured at fair value
Group and Bank

In thousands of Nigerian Naira	Note	31 December 2025 Carrying amount	31 December 2025 Fair value	31 December 2024 Carrying amount	31 December 2024 Fair value
Financial assets					
Cash and balances with Central Bank of Nigeria	19	20,768,561	20,768,561	29,007,013	29,007,013
Due from other Banks	20	114,796,664	114,796,664	190,770,274	190,770,274
Investment securities:					
- Amortised cost	24	22,480,122	22,654,281	1,503,781	1,529,047
Loans and advances to customers	26	131,648,734	101,186,690	124,393,540	124,393,540
Other assets	27	4,785,945	4,785,945	4,720,303	4,720,303
		294,480,026	264,192,141	350,394,911	350,420,177
Financial liabilities					
Due to Banks	33	42,611,204	42,611,204	13,078,649	13,078,649
Due to customers	34	242,330,170	242,330,170	351,496,546	351,496,546
Borrowings	35	8,022,353	8,022,353	8,022,453	8,022,453
Other liabilities	36	61,911,599	61,911,599	80,113,200	80,113,200
Due to other financial institutions	37	134,673,797	134,673,797	31,136,158	31,136,158
		489,549,123	489,549,123	483,847,006	483,847,006

- Cash and balances with Central Bank of Nigeria (CBN) include cash and deposits with the CBN. The carrying amount of the balances with the CBN is a reasonable approximation of the fair value, which is the amount receivable on demand.
- Due from other Banks include balances with other Banks within and outside Nigeria, and short term placements. The carrying amount of the balance is a reasonable approximation of the fair value, which is the amount receivable on demand.
- Investment securities at amortised cost includes treasury bills and commercial papers. The carrying amount is a reasonable approximation of the fair value.
- Loans and advances to customers are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows, expected to be received. Expected cash flows are discounted using the effective interest rate to determine fair value as there is no active market.
- Carrying amounts of other assets are a reasonable expectation of their fair values which are payable on demand.
- The estimated fair value of balances due to other Banks and other financial institutions are the amount repayable on demand as at 31 December 2025.
- The estimated fair value of deposits from customers is the amount repayable on demand as at 31 December 2025.
- Carrying amounts of other liabilities are a reasonable expectation of their fair values which are payable on demand.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Group and Bank
Fair value hierarchy - financial instruments not measured at fair value

In thousands of Nigerian Naira	Level 1	Level 2	Level 3	Fair value	Carrying amount
31 December 2025					
Financial assets					
Cash and balances with Central Bank of Nigeria	–	20,768,561	–	20,768,561	20,768,561
Due from other Banks	–	114,796,664	–	114,796,664	114,796,664
Loans and advances to customers	–	131,648,734	–	131,648,734	131,648,734
Investment securities					
- Amortised cost	22,654,281	–	–	22,654,281	22,480,122
Other assets	–	–	4,785,945	4,785,945	4,785,945
	22,654,281	**267,213,959**	**4,785,945**	**294,654,185**	**294,480,026**
Financial liabilities					
Due to Banks	–	42,611,204	–	42,611,204	42,611,204
Due to customers	–	242,330,170	–	242,330,170	242,330,170
Borrowings	–	8,022,353	–	8,022,353	8,022,353
Other liabilities	–	–	61,911,599	61,911,599	61,911,599
Due to other financial institutions	–	134,673,797	–	134,673,797	134,673,797
		292,963,728	**61,911,599**	**354,875,326**	**354,875,326**

Group and Bank

In thousands of Nigerian Naira	Level 1	Level 2	Level 3	Fair value	Carrying amount
31 December 2024					
Financial assets					
Cash and balances with Central Bank of Nigeria	–	29,007,013	–	29,007,013	29,007,013
Due from other Banks	–	–	190,770,274	190,770,274	190,770,274
Loans and advances to customers	–	–	124,393,540	124,393,540	124,393,540
Investment securities					
- Amortised cost	1,529,047	–	–	1,529,047	1,503,781
Other assets	–	–	4,720,303	4,720,303	4,720,303
	1,529,047	**29,007,013**	**319,884,117**	**350,420,177**	**350,394,911**
Financial liabilities					
Due to Banks	–	–	13,078,649	13,078,649	13,078,649
Due to customers	–	–	351,496,546	351,496,546	351,496,546
Borrowings	–	8,022,453	–	8,022,453	8,022,453
Other liabilities	–	–	51,452,004	51,452,004	51,452,004
Due to other financial institutions	–	31,136,158	–	31,136,158	31,136,158
	–	**39,158,611**	**416,027,199**	**455,185,810**	**455,185,810**

6 FINANCIAL RISK MANAGEMENT REPORT

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

Risk management framework

The Group's Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Asset and Liabilities committee (ALCO), which is responsible for approving and monitoring the Group's risk management prolicies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

6.1 Market risk

Market risk' is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Group's solvency while optimising the return on risk.

Managing market risk

The Group employs a range of tools to monitor and limit market risk exposures which are disclosed below under each risk category.

6.1(a) Foreign exchange risk

The Bank is exposed to foreign exchange risks due to fluctuations in foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2025. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

FINANCIAL RISK MANAGEMENT REPORT CONT'D

Group and Bank
31 December 2025

In thousands of Nigerian Naira	Carrying amount	Naira	USD	GBP	EUR	Total
Financial assets						
Cash and balances with Central Bank of Nigeria	20,768,561	20,768,561	–	–	–	20,768,561
Due from other Banks	114,796,664	31,023,196	56,958,147	5,027	26,810,294	114,796,664
Loans and advances to customers	131,648,734	76,451,978	55,196,756	–	–	131,648,734
Financial assets at FVTPL	9,456,783	9,120,811	335,972	–	–	9,456,783
Investment securities						
– Fair value through OCI	203,583,119	156,135,548	47,447,571	–	–	203,583,119
– Amortised cost	22,480,122	22,080,079	400,043	–	–	22,480,122
Pledged assets	28,854,623	28,854,623	–	–	–	28,854,623
Other assets	4,785,945	3,824,907	892,083	20,339	48,616	4,785,945
	536,374,551	**348,259,703**	**161,230,572**	**25,366**	**26,858,910**	**536,374,551**
Financial liabilities						
Due to Banks	42,611,204	3,024,575	39,586,629	–	–	42,611,204
Due to customers	242,330,170	150,804,076	90,406,804	23,424	1,095,866	242,330,170
Borrowings	8,022,353	8,022,353	–	–	–	8,022,353
Other liabilities	63,876,123	8,025,331	30,132,486	965	25,717,341	63,876,123
Due to other financial institutions	134,673,797	134,673,797	–	–	–	134,673,797
	491,513,647	**304,550,132**	**160,125,919**	**24,389**	**26,813,207**	**491,513,647**
Net gap	**44,860,904**	**43,709,571**	**1,104,653**	**977**	**45,703**	**44,860,904**
Commitments and guarantees						
– Performance bonds and guarantees	21,522,086	21,478,888	43,198	–	–	21,522,086
– Letters of credits	28,890,071	–	28,890,071	–	–	28,890,071
	50,412,157	**21,478,888**	**28,933,269**	**–**	**–**	**50,412,157**

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FINANCIAL RISK MANAGEMENT REPORT CONT'D

Group and Bank
31 December 2024

In thousands of Nigerian Naira	Carrying amount	Naira	USD	GBP	EUR	Total
Financial assets						
Cash and balances with Central Bank of Nigeria	29,007,013	29,007,013	–	–	–	29,007,013
Due from other Banks	190,770,274	26,054,298	136,745,273	25,362	27,945,341	190,770,274
Loans and advances to customers	124,393,540	94,993,088	29,400,452	–	–	124,393,540
Financial assets at FVTPL	34,593,944	34,456,350	137,594	–	–	34,593,944
Investment securities						
– Fair value through OCI	93,341,381	62,042,045	31,299,336	–	–	93,341,381
– Amortised cost	1,503,781	900,738	603,043	–	–	1,503,781
Pledged assets - FVOCI	7,725,993	7,725,993	–	–	–	7,725,993
Other assets	4,720,303	4,007,408	636,112	12,352	64,431	4,720,303
	486,056,229	**259,186,933**	**198,821,810**	**37,714**	**28,009,772**	**486,056,229**
Financial liabilities						
Due to Banks	13,078,649	411	13,078,238	–	–	13,078,649
Due to customers	351,496,546	184,136,035	167,291,850	68,609	52	351,496,546
Borrowings	8,022,453	8,022,453	–	–	–	8,022,453
Other liabilities	51,276,765	6,484,872	16,714,941	182,570	27,894,382	51,276,765
Due to other financial institutions	31,136,158	31,136,158	–	–	–	31,136,158
	455,010,571	**229,779,929**	**197,085,029**	**251,179**	**27,894,434**	**455,010,571**
Net gap	**31,045,658**	**29,407,004**	**1,736,781**	**(213,465)**	**115,338**	**31,045,658**
Commitments and guarantees						
– Performance bonds and guarantees	27,722,832	27,722,832	–	–	–	27,722,832
– Letters of credits	27,579,875	–	27,579,875	–	–	27,579,875
	55,302,707	**27,722,832**	**27,579,875**	**–**	**–**	**55,302,707**

Foreign exchange risk sensitivity analysis

As shown in the table above, the Bank is primarily exposed to changes in NGN/US$ exchange rates and NGN/Euros exchange rates.

The following table details the Group & Bank's sensitivity to a 10% (2024:65%) increase and decrease in Naira against the US dollar and Euros. Management believes that a 10% (2024:65%) movement in either direction is reasonably possible on the Group & Bank's portfolio.

The sensitivity analyses below include outstanding US dollar denominated financial assets and liabilities. A positive number indicates an increase in profit where Naira weakens by 10% (2024:65%) against the US dollar. For a 10% (2024:65%) strengthening of Naira against the US dollar and Euros, there would be an equal and opposite impact on profit.

	31 December 2025		31 December 2024	
	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
In thousands of Nigerian Naira	**Impact on profit and equity**			
NGN/US$ exchange rate – increase 10% (2024:65%)	110,465	1,128,908	110,465	1,128,908
NGN/US$ exchange rate – decrease 10% (2024:65%)	(110,465)	(1,128,908)	(110,465)	(1,128,908)
In thousands of Nigerian Naira	**Impact on profit and equity**			
NGN/US$ exchange rate – increase 10% (2024:65%)	4,570	74,970	4,570	74,970
NGN/US$ exchange rate – decrease 10% (2024:65%)	(4,570)	(74,970)	(4,570)	(74,970)
In thousands of Nigerian Naira	**Impact on profit and equity**			
NGN/US$ exchange rate – increase 10% (2024:65%)	98	(138,752)	98	(138,752)
NGN/US$ exchange rate – decrease 10% (2024:65%)	(98)	138,752	(98)	138,752

6.1 (b) Interest rate risk

(i) Trading Portfolios

The principal tools used to measure and control market risk exposure within the Group's trading portfolios are the position and loss limits. Specific limits have been set on overall position, individual security and losses to prevent undue exposure. Risk Management and Control Group ensures that these limits and triggers are adhered to by the Group. The Group traded in the following financial instruments in the course of the year:

- Treasury Bills
- Bonds (Spot and Repo transactions)
- Money market products
- Foreign exchange products

(ii) Non-Trading Portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk in the non-trading portfolios of the Group is managed principally through the monitoring of Earnings-At-Risk (EAR) and interest rate gaps, as well as carrying out scenario analysis. The Asset and Liability Committee (ALCO) is the body charged with monitoring exposures to interest rate risks and is assisted by the Risk Management and Control Group.

The Group also performs regular stress tests on its trading and non-trading portfolios. In performing this, the Group ensures there are quantitative criteria in building the scenarios. The Group determines the effect of changes in interest rates on interest income; volatility in prices on trading income; and changes in funding sources and uses on the Group's liquidity. The key potential risks the Group was exposed to from these instruments were price risk, basis risk and risk to net margins.

Interest rate movements affect reported equity in the following ways:

- Retained earnings arising from increase or decrease in net interest income.
- Fair value reserves arising from changes in the fair value of fair value through OCI financial instruments reported directly in other comprehensive income.

Overall non-trading interest rate risk positions are managed by the Treasury Group, which uses investment securities and intergroup takings to manage the overall position arising from the Group's non- trading activities.

(iii) Exposure to interest rate risk

The tables below summarise the Group's interest rate gap positions on all portfolios:

Group and Bank

31 December 2025

	Note	Carrying amount	Variable interest bearing	Fixed interest bearing	Non-interest bearing
Financial assets					
Cash and balances with Central Bank of Nigeria	19	20,768,561	–	–	20,768,561
Due from other Banks	20	114,796,664	–	36,190,235	78,606,429
Loans and advances to customers	26	131,648,734	–	131,648,734	–
Financial assets at FVTPL	22	9,456,783	–	9,456,783	–
Investment securities:					
– Fair value through OCI	23	203,583,119	–	199,024,689	4,558,430
– Amortised cost	24	22,480,122	–	22,080,079	400,043
Pledged assets	25	28,854,623	–	28,854,623	–
Other assets	27	4,785,945	–	–	4,785,945
		536,374,551	–	427,255,143	109,119,408
					–
Financial liabilities					–
Due to Banks	33	42,611,204	–	42,611,204	–
Due to customers	34	242,330,170	–	242,330,170	-
Borrowings	35	8,022,353	–	8,022,353	-
Other liabilities	36	61,911,599	–	-	61,911,599
Due to other financial institutions	37	134,673,797	–	134,037,101	636,696
		489,549,123	–	427,000,828	62,548,295

31 December 2024

	Note	Carrying amount	Variable interest bearing	Fixed interest bearing	Non-interest bearing
Financial assets					
Cash and balances with Central Bank of Nigeria	19	29,007,013	–	–	29,007,013
Due from other Banks	20	190,770,274	–	24,718,305	166,051,969
Loans and advances to customers	26	124,393,540	–	124,393,540	–
Financial assets at FVTPL	22	34,593,944	–	34,593,944	–
Investment securities:					
– Fair value through OCI	23	93,341,381	–	91,936,482	1,404,899
– Amortised cost	24	1,503,781	–	935,876	567,905
Pledged assets	25	7,725,993	–	7,725,993	–
Other assets	27	4,720,303	–	–	4,720,303
		486,056,229	–	284,304,140	201,752,089
Financial liabilities					
Due to Banks	33	13,078,649	–	13,078,649	–
Due to customers	34	351,496,546	–	351,496,546	–
Borrowings	35	8,022,453	–	8,022,453	–
Other liabilities	36	80,113,200	–	–	80,113,200
Due to other financial institutions	37	31,136,158	–	–	31,136,158
		452,710,848	–	372,597,648	80,113,200

The table below shows the allocation of assets and liabilities subject to interest rate risk between trading and non-trading portfolios:

Group and Bank

31 December 2025

	Carrying amount	Trading	Non-trading
Financial assets			
Due from other Banks	36,190,235	-	36,190,235
Loans and advances to customers	131,648,734	-	131,648,734
Financial assets at FVTPL	9,456,783	9,456,783	-
Investment securities			
- Fair value through OCI	199,024,689	-	199,024,689
- Amortised cost	22,480,122	-	22,480,122
Pledged assets	28,854,623	-	28,854,623
	427,655,186	9,456,783	418,198,403
Financial liabilities:			
Due to Banks	42,611,205	-	42,611,205
Deposit from customers	242,330,170	-	242,330,170
Borrowings	8,022,353	-	8,022,353
Due to other financial institutions	134,037,101	-	134,037,101
	427,000,828	-	427,000,828

Group and Bank

31 December 2024

	Carrying amount	Trading	Non-trading
Financial assets			
Due from other Banks	24,718,305	-	24,718,305
Loans and advances to customers	124,393,540	-	124,393,540
Financial assets at FVTPL	34,593,944	34,593,944	-
Investment securities			
- Fair value through OCI	91,936,482	-	91,936,482
- Amortised cost	935,876	-	935,876
Pledged assets	7,725,993	-	7,725,993
	284,304,140	34,593,944	249,710,196
Financial liabilities:			
Due to Banks	13,078,649	-	13,078,649
Deposit from customers	351,496,546	-	351,496,546
Borrowings	8,022,353	-	8,022,353
	372,597,548	-	372,597,548

(iv) Sensitivity analysis for trading portfolio

The Group carried out the following in determining the sensitivity of its profit and equity to interest rate fluctuations in its trading portfolio:

31 December 2025

	Group			Bank		
	Profit before tax	Profit after tax **N'000**	Equity	Profit before tax	Profit after tax	Equity
Increase by 100bps	94,568	66,197	66,197	94,568	66,197	66,197
Decrease by 100bps	(94,568)	(66,197)	(66,197)	(94,568)	(66,197)	(66,197)

31 December 2024

	Group			Bank		
	Profit before tax	Profit after tax **N'000**	Equity	Profit before tax	Profit after tax	Equity
Increase by 100bps	345,939	242,158	242,158	345,939	242,158	242,158
Decrease by 100bps	(345,939)	(242,158)	(242,158)	(345,939)	(242,158)	(242,158)

(v) Sensitivity analysis for non-trading portfolio

The Group carried out the following in determining the sensitivity of its profit and equity to interest rate fluctuations in its non-trading portfolio:

31 December 2025

	Group			Bank		
	Profit before tax	Profit after tax N'000	Equity	Profit before tax	Profit after tax	Equity
Increase by 100bps	(88,024)	(61,617)	(61,617)	(88,024)	(61,617)	(61,617)
Decrease by 100bps	88,024	61,617	61,617	88,024	61,617	61,617

31 December 2024

	Group			Bank		
	Profit before tax	Profit after tax N'000	Equity	Profit before tax	Profit after tax	Equity
Increase by 100bps	(1,228,874)	(860,211)	(860,211)	(1,228,874)	(860,211)	(860,211)
Decrease by 100bps	1,228,874	860,211	860,211	1,228,874	860,211	860,211

(vi) Repricing period of financial assets and liabilities

Repricing maturities take into account the fact that terms of the underlying financial assets or liabilities of the Group can be varied, which in turn affects its liquidity exposure. The table below indicates the earliest time the Group can vary the terms of the underlying financial asset or liabilities and analyses the Group's interest rate risk exposure on assets and liabilities included at carrying amount and categorised by the earlier of the contractual re-pricing or maturity dates.

31 December 2025

Group and Bank	Carrying amount N'000	Total N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets							
Due from other Banks	36,190,235	36,190,235	36,190,235	–	–	–	–
Loans and advances to customers	131,648,734	131,648,734	50,164,262	30,297,714	27,891,826	11,649,287	11,645,646
Financial assets at FVTPL	9,456,783	9,456,783	–	6,418,902	334,019	402,478	2,301,384
Investment securities							
– Fair value through OCI	199,024,689	199,024,689	22,681,894	–	17,495,378	7,039,622	151,807,794
— Amortised cost	22,480,122	22,480,122	–	22,480,122	–	–	–
Pledged assets	28,854,623	228,854,623	28,854,623	–	–	–	–
	427,655,186	427,655,186	137,891,014	59,196,739	45,721,223	19,091,386	165,754,825
Financial liabilities							
Due to Banks	42,611,204	42,611,204	42,611,204	–	–	–	–
Deposit from customers	242,330,170	242,330,170	142,334,561	62,053,846	37,941,764	–	–
Borrowings	8,022,353	8,022,353	–	22,353	–	–	8,000,000
Other Deposit Liabilities	134,037,101	134,037,101	134,037,101	–	–	–	–
	427,000,828	427,000,828	318,982,866	62,076,199	37,941,764	–	8,000,000
Repricing gap	**654,358**	**654,358**	**(181,091,852)**	**(2,879,460)**	**7,779,459**	**19,091,386**	**157,754,825**

31 December 2024

Group and Bank	Carrying amount N'000	Total N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets							
Due from other Banks	24,718,305	24,718,305	24,718,305	–	–	–	–
Loans and advances to customers	124,393,540	124,393,540	47,399,697	28,628,000	26,354,700	11,007,292	11,003,852
Financial assets at FVTPL	34,593,944	34,593,944	–	23,481,045	1,221,878	1,472,307	8,418,714
Investment securities							
– Fair value through OCI	91,936,482	91,936,482	10,477,562	–	8,081,729	3,251,848	70,125,343
— Amortised cost	935,876	935,876	–	935,876	–	–	–
Pledged assets	7,725,993	7,725,993	7,725,993	–	–	–	–
	284,304,140	284,304,140	90,321,557	53,044,921	35,658,306	15,731,446	89,547,909
Financial liabilities							
Due to Banks	13,078,649	13,078,649	13,078,649	–	–	–	–
Deposit from customers	351,496,546	351,496,546	206,454,303	90,008,242	55,034,001	–	–
Borrowings	8,022,453	8,022,453	–	22,453	–	–	8,000,000
Due to other financial institutions	31,136,158	31,136,158	31,136,158	–	–	–	–
	403,733,806	403,733,805	250,669,110	90,030,695	55,034,001	–	8,000,000
Repricing gap	**(119,429,666)**	**(119,429,666)**	**(160,347,553)**	**(36,985,773)**	**(19,375,695)**	**15,731,446**	**81,547,909**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and financial liabilities to various standard and non-standard interest rate scenarios. The non-trading interest rate risk positions are managed by Bank's Treasury team, which uses investment securities, loans and advances to customers, deposits from banks and other financial institutions to manage the positions.

6.2 Liquidity Risk

Liquidity risk' is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Group's operations and investments.

(i) Management of Liquidity

Risk

A brief overview of the Group's liquidity management processes includes the following:

- Maintenance of minimum levels of liquid and marketable securities above the regulatory requirement of 20%. The Group has set for itself more conservative in-house limits above this regulatory requirement to which it adheres.
- Monitoring of its historical cash flows to ascertain in/outflow trends. The Group also makes forecasts of anticipated deposits and withdrawals to determine their potential effect on the Group.
- Regular measurement and monitoring of its liquidity position/ratios in line with regulatory requirements and in-house limits.
- Monitoring of deposit concentration, and ensuring diversification of its funding sources.
- Use of a Management authorisation process for purchases of financial instrument held as other comprehensive income and held at amortized cost (AC) portfolios.
- Maturity gap analysis.
- Maintaining a contingency funding plan with committed funding lines established with specific financial institution(s).

The Group's Asset and Liability Committee (ALCO) is charged with the responsibility of managing the Group's liquidity position. This position is monitored daily, while stress tests covering a variety of scenarios are regularly conducted. All liquidity risk management policies and procedures are subject to review and approval by Board.

Details of the reported Group ratio of liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

	31 Dec 2025	31 Dec 2024
At end of year	45.77%	53.81%
Average for the year	54.13%	44.62%
Maximum for the year	66.05%	55.45%
Minimum for the year	39.96%	28.29%

The regulatory benchmark given by CBN for Merchant Banks during the year was 20% and the Bank was well above this threshold throughout the year ended 31 December 2025.

(ii) Contractual maturity of financial assets and liabilities

The following tables show the undiscounted cash flows on the Group's financial statement assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities:

31 December 2025 Group	Note	Carrying amount N'000	Gross nominal inflow/ (outflow) N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets								
Cash and balances with CBN	19	20,768,561	20,804,707	20,804,707	–	–	–	–
Due from other Banks	20	114,796,664	114,880,459	114,880,459	–	–	–	–
Loans and advances to customers	26	131,648,734	150,987,678	67,507,578	23,392,968	22,910,583	31,004,115	6,172,435
Financial assets at FVTPL	22	9,456,783	22,309,800	5,268,976	10,385,565	839,966	757,740	5,057,553
Investment securities								
– Fair value through OCI	23	203,583,119	503,457,903	8,221,818	81,999,076	47,580,945	64,261,216	301,394,849
– Amortised cost	24	22,480,122	28,980,787	1,561,088	19,639,696	4,452,110	2,659,870	668,023
Pledged assets	25	28,854,623	58,905,656	425,756	1,477,678	3,806,868	3,806,868	49,388,486
Other assets	27	7,401,557	10,729,394	10,729,394	–	–	–	-
		538,990,163	911,056,384	229,399,776	136,894,983	79,590,472	102,489,808	362,681,345
Financial liabilities								
Due to Banks	33	42,611,205	50,112,735	50,112,735	–	–	–	–
Due to customers	34	242,330,170	225,324,140	225,324,140	–	–	–	–
Borrowings	35	8,022,353	13,000,000	500,000	1,000,000	1,000,000	1,000,000	9,500,000
Other liabilities	36	64,731,359	64,731,359	64,731,359	–	–	–	–
Due to other financial institutions	37	134,673,797	168,342,246	80,804,278	87,537,968	–	–	–
		492,368,883	521,510,480	421,472,512	88,537,968	1,000,000	1,000,000	9,500,000
Liquidity gap		**46,621,280**	**389,545,905**	**(192,072,735)**	**48,357,015**	**78,590,472**	**101,489,808**	**353,181,345**
Off Balance Sheet Exposures								
Performance bonds and guarantees		21,522,086	21,522,086	331,786	1,843,589	6,439,566	12,907,144	–
Letters of credits		28,890,071	28,890,071	18,066,494	10,823,577	-	–	–
Total		**50,412,157**	**50,412,157**	**18,398,281**	**12,667,166**	**6,439,566**	**12,907,144**	–

31 December 2025 Bank	Note	Carrying amount N'000	Gross nominal inflow/ (outflow) N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets								
Cash and balances with CBN	19	20,768,561	20,804,707	20,804,707	–	–	–	–
Due from other Banks	20	114,796,664	114,880,459	114,880,459	–	–	–	–
Loans and advances to customers	26	131,648,734	150,987,678	67,507,578	23,392,968	22,910,583	31,004,115	6,172,435
Financial assets at FVTPL	22	9,456,783	22,309,800	5,268,976	10,385,565	839,966	757,740	5,057,553
Investment securities								
– Fair value through OCI	23	203,583,119	503,457,903	8,221,818	81,999,076	47,580,945	64,261,216	301,394,849
– Amortised cost	24	22,480,122	28,980,787	1,561,088	19,639,696	4,452,110	2,659,870	668,023
Pledged assets	25	28,854,623	58,905,656	425,756	1,477,678	3,806,868	3,806,868	49,388,486
Other assets	27	7,401,557	10,729,394	10,729,394	–	–	–	-
		538,990,163	911,056,384	229,399,776	136,894,983	79,590,472	102,489,808	362,681,345
Financial liabilities								
Due to Banks	33	42,611,205	50,112,735	50,112,735	–	–	–	–
Due to customers	34	242,330,170	225,324,140	225,324,140	–	–	–	–
Borrowings	35	8,022,353	13,000,000	500,000	1,000,000	1,000,000	1,000,000	9,500,000
Other liabilities	36	64,731,359	64,731,359	64,731,359	–	–	–	–
Due to other financial institutions	37	134,673,797	168,342,246	80,804,278	87,537,968	–	–	–
		492,368,883	521,510,480	421,472,512	88,537,968	1,000,000	1,000,000	9,500,000
Liquidity gap		**46,621,280**	**389,545,904**	**(192,072,736)**	**48,357,015**	**78,590,472**	**101,489,808**	**353,181,345**
Off Balance Sheet Exposures								
Performance bonds and guarantees		21,522,086	21,522,086	331,786	1,843,589	6,439,566	12,907,144	–
Letters of credits		28,890,071	28,890,071	18,066,494	10,823,577	-	–	–
Total		**50,412,157**	**50,412,157**	**18,398,281**	**12,667,166**	**6,439,566**	**12,907,144**	–

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 December 2024 Group	Note	Carrying amount N'000	Gross nominal inflow/ (outflow) N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets								
Cash and balances with CBN	19	29,007,013	29,007,153	29,007,153	–	–	–	–
Due from other Banks	20	190,770,274	190,890,645	190,890,645	–	–	–	–
Loans and advances to customers	26	124,393,540	140,140,800	62,657,868	21,712,429	21,264,698	28,776,795	5,729,010
Financial assets at FVTPL	22	34,593,944	54,341,467	12,833,996	25,296,813	2,045,960	1,845,678	12,319,020
Investment securities								
– Fair value through OCI	23	93,341,381	227,574,133	3,716,444	37,065,400	21,507,642	29,047,494	136,237,153
– Amortised cost	24	1,503,781	1,603,043	86,350	1,086,350	246,264	147,128	36,951
Pledged assets	25	7,725,993	39,562,700	285,950	992,450	2,556,800	2,556,800	33,170,700
Other assets	27	7,347,197	10,339,521	10,339,521	–	–	–	–
		488,683,123	693,459,462	309,817,927	86,153,442	47,621,364	62,373,895	187,492,834
Financial liabilities								
Due to Banks	33	13,078,649	50,112,735	50,112,735	–	–	–	–
Due to customers	34	351,496,546	375,874,140	295,894,012	79,980,128	–	–	–
Borrowings	35	8,022,453	13,000,000	500,000	1,000,000	1,000,000	1,000,000	9,500,000
Other liabilities	36	51,276,765	51,276,765	51,276,765	–	–	–	–
		423,874,413	490,263,640	397,783,512	80,980,128	1,000,000	1,000,000	9,500,000
Liquidity gap		**64,808,710**	**203,195,822**	**(87,965,585)**	**5,173,314**	**46,621,364**	**61,373,895**	**177,992,834**
Off Balance Sheet Exposures								
Performance bonds and guarantees		27,722,832	27,722,832	–	5,516,922	8,003,798	14,202,112	–
Letters of credits		22,478,495	22,478,495	21,401,654	1,076,841	–	-	–
Total		**50,201,327**	**50,201,326**	**21,401,654**	**6,593,762**	**8,003,798**	**14,202,112**	–

31 December 2024 Bank	Note	Carrying amount N'000	Gross nominal inflow/ (outflow) N'000	Up to 90 days N'000	90 days to 1 year N'000	1 year to 3 years N'000	3 years to 5 years N'000	Over 5 years N'000
Financial assets								
Cash and balances with CBN	19	29,007,013	29,007,153	29,007,153	–	–	–	–
Due from other Banks	20	190,770,274	190,890,645	190,890,645	–	–	–	–
Loans and advances to customers	26	124,393,540	140,140,800	62,657,868	21,712,429	21,264,698	28,776,795	5,729,010
Financial assets at FVTPL	22	34,593,944	54,341,467	12,833,996	25,296,813	2,045,960	1,845,678	12,319,020
Investment securities								
– Fair value through OCI	23	93,341,381	227,574,133	3,716,444	37,065,400	21,507,642	29,047,494	136,237,153
– Amortised cost	24	1,503,781	1,603,043	86,350	1,086,350	246,264	147,128	36,951
Pledged assets	25	7,725,993	39,562,700	285,950	992,450	2,556,800	2,556,800	33,170,700
Other assets	27	7,347,197	10,339,521	10,339,521	–	–	–	–
		488,683,123	693,459,462	309,817,927	86,153,442	47,621,364	62,373,895	187,492,834
Financial liabilities								
Due to Banks	33	13,078,649	50,112,735	50,112,735	–	–	–	–
Due to customers	34	351,496,546	375,874,140	295,894,012	79,980,128	–	–	–
Borrowings	35	8,022,453	13,000,000	500,000	1,000,000	1,000,000	1,000,000	9,500,000
Other liabilities	36	51,276,765	51,276,765	51,276,765	–	–	–	–
		423,874,413	490,263,640	397,783,512	80,980,128	1,000,000	1,000,000	9,500,000
Liquidity gap		**64,808,710**	**203,195,822**	**(87,965,585)**	**5,173,314**	**46,621,364**	**61,373,895**	**177,992,834**
Off Balance Sheet Exposures								
Performance bonds and guarantees		27,722,832	27,722,832	–	5,516,922	8,003,798	14,202,112	–
Letters of credits		22,478,495	22,478,495	21,401,654	1,076,841	–	-	–
Total		**50,201,327**	**50,201,326**	**21,401,654**	**6,593,762**	**8,003,798**	**14,202,112**	–

The Group recorded a negative liquidity gap in the shortest maturity bucket due to the contractual timing mismatch between inflows and outflows. Management monitors this position closely and maintains adequate high-quality liquid assets and funding sources to meet short-term obligations. Accordingly, the negative gap is not considered indicative of liquidity stress.

FINANCIAL RISK MANAGEMENT REPORT CONT'D

6.3 Credit Risk

The Group defines credit risk as the risk of counterparty's failure to meet the terms of any lending contracts with the Group or otherwise to perform as agreed. Credit risk arises anytime the Group's funds are extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

The Group's specific credit risk objectives, as contained in the Risk Assets Acceptance Criteria (RAAC) and Credit Risk Policy, are:
- maintenance of an efficient risk assets portfolio;
- adequately diversify the Group's risk assets and minimise concentration risk;
- institutionalization of sound credit culture in the Group; and
- achieve consistent and continuous income stream for the Group.

The risk assets creating units – Fixed Income and currency trading Division and Corporate Grouping Division - are required to implement all credit policies and procedures in line with the approval limits granted by the Board. The business units are responsible for the quality and performance of their risk assets portfolio and for monitoring and controlling all credit risks in their portfolio. Internal Audit undertakes regular audits of business units, while the Risk Management and Control Group carries out regular credit quality reviews.

The Group continues to focus attention on intrinsic and concentration risks inherent in its business to manage the Group's portfolio risk. It sets portfolio concentration limits that are measured under the following parameters: limits per obligor, industry/sector and maturity bucket. Sector and maturity limits reflect the risk appetite of the Group. Credit risks arising on trading securities is managed independently, but reported as a component of market risk exposure.

(i) Management of credit risk
The Board of Directors has delegated responsibility for the management of credit risk to the Board Credit Committee. Management Credit & Underwriting Committee (MCUC), is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies for the Group, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Executive Committee and the Board Credit Committee/Board of Directors as appropriate.
- Reviewing and assessing credit risk in all credit exposures prior to making commitment to customers. Renewals and reviews of facilities are subject to the same review process

- Developing and maintaining the Bank's criteria for categorising exposures, and to focus management on the attendant risks. The criteria as contained in the Risk Assets Acceptance Criteria (RAAC) and Credit Risk Policy takes care of exposures to Banks and related regulated institutions, and large quoted corporates, conglomerates and multinationals. The responsibility for approving and reviewing the Risk Assets Acceptance Criteria and Credit Risk Policy lies with the Board Credit Committee.
- Reviewing compliance of with exposure and concentration limits, and promotion of best practices throughout the Group in the management of credit risk.

(ii) Risk Limit Control and Mitigation Policies

Quest Merchant Banking Group applies limits to control credit risk concentration and ensure proper diversification of its risk assets portfolio. The Group maintains limits for individual obligors, sectors and maturities/tenors.

The Group's internal single obligor limit which is set at a maximum of 45% of the its shareholders' funds (SHF), is within the stipulated regulatory single obligor limit currently prescribed at 50% of the Group's shareholders' funds. Although the Group is guided by its internal single obligor rating regulatory limit, it also applies additional parameters internally in determining the suitable limits that a single borrower should have. These include: obligor rating, position in the industry and perceived requirements of key players, financial analysis, etc.

The Group, based on guidelines set by the regulators, imposes industry/economic sector limits to guide against concentration risk. The industry/sector limits are arrived at after rigorous analysis of the risks inherent in the industry or economic sector. The limits are usually recommended by the Risk Management and Control Group and approved by the Board.

The Group also imposes limits on the maturity buckets of the risk assets portfolio. The maturity bucket limits are a reflection of the risk appetite and liquidity profile of the Group. During the year, limits can be reviewed and realigned (outright removal, reduction or increase) to meet the exigencies of the prevailing macroeconomic events.

Quest Merchant Bank also sets internal credit approval limits in the credit process. Approval decisions are guided by the Bank's strategic focus aswell asthe stated risk appetite and the other limits established by the Board or regulatory authorities. The current risk assets approval limits are as follows:

FINANCIAL RISK MANAGEMENT REPORT CONT'D

Approving Authority	Approval Limit
Board of Directors	To approve all non-cash collaterised credit above 60% of the SOL subject to the Bank's Single Obligor Limit (SOL).

Board Credit Committee (BCC)	1. To note all non-cash-collateralised credit facilities up to 15% of SOL approved by the Management Credit & Underwriting Committee 2. To approve all non-cash-collateralised credit facilities of between 15% of SOL and 60%.
Management Credit & Underwriting Committee (MCUC)	1. To approve all non-cash-collateralised credit facilities of up to 15%of SOL 2. To approve all cash-collateralised limits

The Bank ensures that each credit is reviewed and granted based on the strength of the borrowers' repayment capacity, measured by its cash flow. However, the Group also ensures its risk assets are well secured as a second way out strategy. The policies that guide collateral for facilities are embedded within the Bank's Credit Risk Policy.

FBNQuest Merchant Bank maintains placement lines for its Bank counterparties and other financial institutions regulated by the Central Bank of Nigeria (CBN). The lines cover the settlement risks inherent in the Bank's activities with these counterparties. The limits are arrived at after conducting fundamental analysis of the counterparties, presentation of findings to, and approval by the Board. The lines are implemented by the Fixed income and currency trading group and monitored by the Risk Management and Control Group. Intergroup placement limits are also guided by the regulatory single obligor limit, which currently is 50% oftheBank's shareholders' funds.

(iii) Credit quality

The Group undertakes lending activities after careful analysis of the borrowers' general character, capacity to repay, cash flow, credit history, organisational/management quality, financial condition, market position, business operations, industry and other factors. The Group acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately dimension the risks in each business segments.

The Bank currently adopts Agusto & Co's credit risk rating model for its assessment of obligor risk rating and Bank's rating grades as defined by its Risk Assets Acceptance Criteria (RAAC) deals with all credit risk counterparties, covering all the Bank's credit exposure to corporate, commercial, conglomerates and multinationals. It however excludes Banks and other financial institutions regulated by Central Bank of Nigeria (CBN). Obligor rating in the Group is handled by Relationship Managers with further review by Risk Management and Control before it goes through the approval process.

The Agusto & Co's rating system adopted by the Group is shown below:

Agusto & Co's rating	Grade	Credit rating	Characteristics
Aaa	Investment grade	Strong	• This is the highest category • It indicates a company with impeccable financial condition and overwhelming capacity to meet obligations as and when they fall due • Capacity is highly unlikely to be adversely affected by unforeseeable events • Top multinationals / corporations • Strong equity and assets • Good track record • Strong cash flows
Aa			• This signifies a company that possesses very good financial condition and strong capacity to meet its obligations as and when they fall due. However, the risk factors are somewhat higher than the
A			• Denotes a company with good financial condition and strong capacity to meet its obligation on a timely basis. • Low expectation of default risk
Bbb		Satisfactory	• Average credit quality • Category is acceptable as business or financial alternatives may be available to allow financial commitments to be met • Good character of owner • Typically good companies with satisfactory financial condition

Bb	Non-investment grade	Higher risk	• This indicates companies with satisfactory financial condition and capacity to meet obligations as and when they fall due but may be contingent upon refinancing.
B			• Refehrs tob anb olbligofr with wl leak financial condition. • Capacity to meet obligation in a timely manner is contingent on refinancing
C			• An obligor with very weak financial condition • Week capacity to meet obligation in a timely manner • Highly vulnerable
D		Credit impaired	• Obligor in default

(iii) Credit quality (cont'd)

Maximum exposure to credit risk

The Group's credit risk exposures relating to on-balance sheet assets are as follows:

		Group	Group	Bank	Bank
Classification	Note	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Financial assets:					
Cash and balances with Central Bank of Nigeria	19	20,804,707	29,007,153	20,804,707	29,007,153
Due from other Banks	20	114,880,459	190,890,645	114,880,459	190,890,645
Loans and advances to customers	26	136,503,254	126,679,969	136,503,254	126,679,969
Investment securities					
- Fair value through OCI	23	203,583,119	93,341,381	203,583,119	93,341,381
- Amortised cost	24	22,516,570	1,503,781	22,516,570	1,503,781
Pledged assets	25	28,854,623	7,725,993	28,854,623	7,725,993
Other assets	27	7,523,239	7,122,084	7,523,239	7,122,084
		534,665,971	456,306,327	534,665,971	456,306,327
Loans exposure to total exposure		28.14%	30.19%	28.14%	30.19%
Debt securities exposure to total exposure		46.62%	22.61%	46.62%	22.61%
Other exposures to total exposure		25.24%	47.19%	25.24%	47.19%
Commitments and guarantees					
Performance bonds and guarantees	42	21,522,086	27,722,832	21,522,086	27,722,832
Letters of credits	42	28,890,071	27,579,875	28,890,071	27,579,875
Total commitments and guarantees		50,412,157	55,302,707	50,412,157	55,302,707

Balances included in other assets above are those subject to credit risks. Items not subject to credit risk have been excluded. The table above shows a worse-case scenario of credit risk exposures to the Group at 31 December 2025 and 31 December 2024 without taking into consideration any of the collateral held or other credit enhancements attached, if any.

As shown above, 28.14% of the Group's total maximum exposures are derived from loans exposure (2024: 30.19%), while 46.62% of the Group's total maximum exposures represents exposures to debt securities 2024: 22.61%). The directors are confident in their ability to continue to control exposure to credit risk which can result from both its risk assets portfolio and debt securities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(iii) Credit quality (cont'd)

The following tables set out information about the credit quality of financial assets measured at amortised cost, lease receivables and FVOCI debt investments without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 3.22(f).

Group and Bank

31 December 2025

Loans and advances to customers	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	2.18%	132,176,085	–	–	–	132,176,085
Bbb : Satisfactory	0%	–	–	–	–	–
Bb - C : Higher risk	0%	–	–	–	–	–
D : Credit impaired	100%	–	–	4,327,169	–	4,327,169
Gross Carrying Amount		132,176,085	–	4,327,169	–	136,503,254
Loss Allowance		(527,351)	–	(4,327,169)	–	(4,854,520)
Carrying Amount		**131,648,734**	**–**	**–**	**–**	**131,648,734**

31 December 2024

Loans and advances to customers	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	0.11% - 0.91%	122,193,168	–	–	–	122,193,168
Bbb : Satisfactory	0%	–	–	–	–	–
Bb - C : Higher risk D :	0%	–	–	–	–	–
Credit impaired	100%	–	–	- 4,486,801	–	4,486,801
Gross Carrying Amount		122,193,168	–	4,486,801	–	126,679,969
Loss Allowance		(269,942)	–	(2,016,487)	–	(2,286,429)
Carrying Amount		**121,923,226**	**–**	**2,470,314**	**–**	**124,393,540**

31 December 2025

Cash and balances with CBN	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	-	–	–	–	–	–
Bbb : Satisfactory	5.02%	20,804,707	–	–	–	20,804,707
Bb - C : Higher risk	-	–	–	–	–	–
D : Credit impaired	-	–	–	–	–	–
Gross Carrying Amount		20,804,707	–	–	–	20,804,707
Loss Allowance		(36,146)	–	–	–	(36,146)
Carrying Amount		**20,768,561**	**–**	**–**	**–**	**20,768,561**

Group and Bank

Cash and balances with CBN

31 December 2024

	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	4.09%	29,007,153	–	–	–	29,007,153
Bb - C : Higher risk	–	–	–	–	–	–
D : Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		29,007,153	–	–	–	29,007,153
Loss Allowance		(140)	–	–	–	(140)
Carrying Amount		**29,007,013**	–	–	–	**29,007,013**

31 December 2025

Due from other Banks

	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	0.2% - 5.8%	97,101,587	–	–	–	97,101,587
Bb - C : Higher risk D :	24.0%	17,778,872	–	–	–	17,778,872
Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		114,880,459	–	–	–	114,880,459
Loss Allowance		(83,795)	–	–	–	(83,795)
Carrying Amount		**114,796,664**	–	–	–	**114,796,664**

31 December 2024

Due from other Banks

	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	0.1% - 5.3%	186,811,092	–	–	–	186,811,092
Bb - C : Higher risk	26.0%	4,079,552	–	–	–	4,079,552
D : Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		190,890,644	–	–	–	190,890,644
Loss Allowance		(120,370)	–	–	–	(120,370)
Carrying Amount		**190,770,274**	–	–	–	**190,770,274**

31 December 2025

Investment securities - Fair value through OCI

	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	4.25% - 6.76%	199,024,689	–	–	–	199,024,689
Bb - C : Higher risk	–	–	–	–	–	–
D : Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		199,024,689	–	–	–	- 199,024,689
Loss Allowance		(1,426,656)	–	–	–	(1,426,656)
Carrying Amount		**197,598,033**	–	–	–	**197,598,033**

31 December 2024

Investment securities - Fair value through OCI	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	4.09%	91,353,924	–	–	–	91,353,924
Bb - C : Higher risk	17.00%	–	3,688,369	–	–	3,688,369
D : Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		91,353,924	3,688,369	–	–	95,042,292
Loss Allowance		(934,531)	(138,195)	–	–	(1,072,726)
Carrying Amount		95,925,133	3,737,342	–	–	99,662,475

31 December 2025

Investment securities- Amortised cost	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	–	–	–	–	–	–
Bbb : Satisfactory	4.25% - 6.76%	22,516,570	–	–	–	22,516,570
Bb - C : Higher risk D :	–	–	–	–	–	–
Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		22,516,570	–	–	–	22,516,570
Loss Allowance		(36,448)	–	–	–	(36,448)
Carrying Amount		**22,480,122**	–	–	–	**22,480,122**

31 December 2024

Investment securities- Amortised cost	12-month PD Ranges	Stage 1	Stage 2	Stage 3	Purchased Credit impaired	Total
Aaa - A : Strong	-	–	–	–	–	–
Bbb : Satisfactory	4.09%	936,059	–	–	–	936,059
Bb - C : Higher risk	17.00%	–	603,043	–	–	603,043
D : Credit impaired	–	–	–	–	–	–
Gross Carrying Amount		936,059	603,043	–	–	1,539,102
Loss Allowance		(184)	(35,137)	–	–	(35,321)
Carrying Amount		**935,875**	**567,906**	–	–	**1,503,781**

(iv) Credit collateral

The Bank ensures that every risk asset is reviewed and granted based on the strength of the borrowers' cash flow. However, the Bank also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Bank's collateral policy. All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Cash
- Treasury Bills/Bonds
- Charges over financial instruments such as debt securities and equities
- Bank guarantees
- Mortgages over landed properties.

The Bank ensures that every risk asset is reviewed and granted based on the strength of the borrowers' cash flow. However, the Bank also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Bank's collateral policy. All collateral offered must have the following attributes:

- There must be good legal title
- The title must be easy to transfer
- It should be easy and relatively cheap to value
- The value should be appreciating or at least stable
- The security must be easy to sell.

In order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

Summary of collaterals held against loans and advances to customers

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers is shown below:

Group and Bank
31 December 2025

In thousands of Nigerian naira	Gross amount	Collateral
Stage 3	4,327,570	3,600,000
Stage 2	-	-
Stage 1	133,050,348	202,986,034
	137,377,919	206,586,034

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(iv) Credit collateral (cont'd)

31 December 2025
In thousands of Nigerian naira
Type of collateral

	Stage 1	Stage 2	Stage 3
Cash/Bonds	13,920,828	-	-
Mortgage property	33,587,321	-	-
Asset Debentures	149,101,322	-	-
Stock	4,088,474	-	3,600,000
Corporate Guarantee	2,288,089	-	-
	202,986,034	-	3,600,000
		-	-

Group
31 December 2024
In thousands of Nigerian naira

	Gross amount	Collateral
Stage 3	4,486,801	2,465,800
Stage 2	-	-
Stage 1	122,193,168	318,298,316
	126,679,969	320,764,11

Bank
31 December 2024
In thousands of Nigerian naira

	Gross amount	Collateral
Stage 3	4,486,801	2,465,800
Stage 2	-	-
Stage 1	122,193,168	318,298,316
	126,679,969	320,764,116

31 December 2024
In thousands of Nigerian naira
Type of collateral

	Stage 1	Stage 2	Stage 3
Cash/Treasury bills	41,545,923	-	-
Mortgage property	27,248,008	-	-
Asset Debentures	204,001,821	-	-
Asset Financed	18,070,000	-	2,465,800
Stock	17,958,401	-	-
Corporate Guarantee	9,474,163	-	2,465,800
	318,298,316	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Investment securities

The table below shows analysis of the Group and Bank's investment securities into the different classifications:

Group

31 December 2025	Investment securities-(Fair value through OCI)	Investment securities - (Amortised cost)	Investment securities - Financial assets at FVTPL	Total
Federal government bonds	42,144,972	400,043	2,701,065	45,246,080
Corporate bonds	3,516,386	–	335,973	3,852,359
Treasury bills	105,902,484	20,697,276	6,419,745	133,019,505
Others	52,019,277	1,419,251	–	53,438,528
Pledged assets	28,854,623	–	–	28,854,623
	232,437,742	**22,516,570**	**9,456,783**	**264,411,095**

31 December 2024	Investment securities-(Fair value through OCI)	Investment securities - (Amortised cost)	Investment securities - Financial assets at FVTPL	Total
Federal government bonds	60,418,001	603,043	1,490,606	62,511,650
Corporate bonds	3,626,418	–	137,594	3,764,012
Treasury bills	24,154,721	936,059	32,965,744	58,056,524
Others	5,142,241	–	–	5,142,241
Pledged assets	7,725,993	–	–	7,725,993
	101,067,374	**1,539,102**	**34,593,944**	**137,200,420**

The Bank’s investment in Government securities constitutes 78.33% of debt instruments portfolio (31 December 2024: 92.41%). Investment in corporate bond accounts for 1.46% (31 December 2024: 2.74%).

Bank

31 December 2025	Investment securities-(Fair value through OCI)	Investment securities - (Amortised cost)	Investment securities - Financial assets at FVTPL	Total
Federal government bonds	42,144,972	400,043	2,701,065	45,246,080
Corporate bonds	3,516,386	–	335,973	3,852,359
Treasury bills	105,902,484	20,697,276	6,419,745	133,019,505
Others	52,019,277	1,419,251	–	53,438,528
Pledged assets	28,854,623	–	–	28,854,623
	232,437,742	**22,516,570**	**9,456,783**	**264,411,095**

31 December 2024	Investment securities-(Fair value through OCI)	Investment securities - (Amortised cost)	Investment securities - Financial assets at FVTPL	Total
Federal government bonds	60,418,001	603,043	1,490,606	62,511,650
Corporate bonds	3,626,418	–	137,594	3,764,012
Treasury bills	24,154,721	936,059	32,965,744	58,056,524
Others	5,142,241	–	–	5,142,241
Pledged assets	7,725,993	–	–	7,725,993
	101,067,374	**1,539,102**	**34,593,944**	**137,200,420**

The Bank's investment in Government securities constitutes 78.33% of debt instruments portfolio (31 December 2024: 92.41%). Investment in corporate bond accounts for 1.46% (31 December 2024: 2.74%).

(v) Settlement Risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trade. Settlement risk is the risk of loss due to the failure of counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.For certain types of transactions the Bank mitigates this risk by conducting settlements through a settlement clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

(vi) Climate-related Risk

Climate-related risks are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group is in the process of developing models that aim to assess how borrowers' performance is linked to climate change. The Group plans to use these models in pricing credit risk and in calculating ECLs.

The Group continues to monitor climate-related risks within its credit portfolio, particularly in the agricultural sector, which is highly sensitive to extreme weather events such as flooding, drought, and irregular rainfall. As at the reporting date, exposures in climate-vulnerable agricultural areas represent approximately 10% of total loans and advances.

(vii) Amounts arising from ECL

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows.

(a) Inputs, assumptions and techniques for estimating impairment.
Assessment of significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank 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 Bank's historical experience and expert credit assessment and 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 comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations, if any).

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by 100% or more. Using its expert credit judgement and, where possible, relevant historical experience, the Bank 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 Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Bank 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;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

PD Generation Methodology

The Group generates Probability of Default (PD) estimates using its internal credit-risk models. PDs are based on the Group's historical default experience, internal credit ratings, behavioural indicators and relevant exposure characteristics. These estimates are adjusted to reflect current and forward-looking economic conditions, including projected movements in crude oil prices and prime lending rates, which are the Group's key forward-looking indicators.
Through-the-cycle PDs derived from historical data are converted into point-in-time PDs by incorporating the impact of the current economic environment and the Group's forward-looking scenarios (base, optimistic and downturn). Lifetime PDs are then produced by projecting these point-in-time PDs over the remaining contractual period of the exposure.

The PD models are subject to regular calibration, back-testing and independent validation to ensure that they appropriately reflect credit risk and remain compliant with IFRS 9 requirements.

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank 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 Bank. 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 Bank 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 Bank; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Write-off policy
The Bank writes off a risk asset or security balance (and any related allowances for impairment losses) when it determines that the risk assets or securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower or issuer's financial position such that the borrower or issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the full exposure. All write-offs are approved by the Board.

(vii)Amounts arising from ECL

(a) Inputs, assumptions and techniques for estimating impairment

Incorporation of forward-looking information

ECLs are mainly calculated with a statistical model using three major risk parameters: probability of default, loss given default and exposure at default.

The estimation of these risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information. The group formulates three economic scenarios: a base case based on consensus forecasts, and two less likely scenarios, one optimistic and one downside scenario. External information considered includes economic data and forecasts published by government bodies and monetary authorities. The credit risk and credit losses are influenced by historic data and various macro-economic variables.

The scenario probability weightings applied in measuring ECL are as follows:

	31 December 2025			31 December 2024		
	Base	Optimistic	Downturn	Base	Optimistic	Downturn
Scenario probability weightings	42%	17%	41%	33%	38%	29%

The table below lists the macroeconomic assumptions used in the base, optimistic and downturn scenarios. The assumptions represent the absolute percentage for prime lending rates and crude oil prices.

31 December 2025

Forward looking information	Economic assumption	2025	2026	2027
Crude oil price ($ per barrel)	Base	73.00	65.45	69.16
	Optimistic	77.00	67.31	71.02
	Downturn	72.84	63.60	67.31
72.00 Prime lending rate (%)	Base	15.10	17.39	16.39
	Optimistic	13.29	16.89	15.89
	Downturn	16.91	17.89	16.89

31 December 2024

Forward looking information	Economic assumption	2024	2025	2026
Crude oil price ($ per barrel)	Base	76.05	73.00	74.50
	Optimistic	76.05	77.00	77.00
	Downturn	76.05	72.84	72.00
Prime lending rate (%)	Base	16.75	15.10	15.40
	Optimistic	16.75	13.29	13.59
	Downturn	16.75	16.91	17.21

Economic Variable Assumptions

The most significant year-end assumption used for the ECL estimate as at 31 December 2025

Crude Oil

AGENCY	2026	2027
Capital IQ	65.45	69.16
Fitch Solution	63.00	63.00
IMF	66.31	66.18
EIU	61.30	60.40

Prime Lending Rate

AGENCY	2026	2027
Trading economics	17.4%	16.39%

FINANCIAL RISK MANAGEMENT REPORT CONT'D

The Group has updated its economic forecasts used in the ECL model as at 31 December 2025, reflecting revised expectations for crude oil prices and prime lending rates, alongside heightened uncertainty arising from geopolitical tensions.
The Group develops three forward-looking scenarios, base, optimistic and downturn, and incorporates projected movements in crude oil prices and prime lending rates into each scenario, as these indicators significantly influence credit conditions in the markets where the Group operates.

Base Scenario
Under the base scenario, crude oil prices are expected to remain broadly stable over the next two years, driven by balanced global supply and demand conditions. Prime lending rates are assumed to decline gradually as monetary conditions ease, supporting a steady credit environment. These assumptions indicate moderate improvement in borrowers' repayment capacity over the medium term.

Optimistic Scenario
The optimitic scenario reflects stronger-than-expected increases in crude oil prices due to improved global demand and supportive fiscal conditions. Prime lending rates decline more quickly than anticipated, reflecting lower risk premiums and stronger market liquidity. This environment is supportive of higher credit absorption and improved borrower performance.

Downturn Scenario
The downturn scenario assumes a decline in crude oil prices caused by weaker global demand and market volatility. At the same time, prime lending rates rise marginally due to higher perceived credit risk and tighter monetary conditions. These assumptions reflect a more challenging credit environment, with reduced cash-flow resilience for certain borrowers.

(b) Sensitivity Analysis
The sensitivity analysis assesses the ECL sensitivity to changes in key assumptions used in the computations. The ECL is recalculated per assumption change, and each recalculated ECL is then compared to the base run to quantify the impact of
The table below shows the loss allowance on loans and advances to customers assuming each forward-looking scenario (e.g. base, optimistic and downturn) were weighted 100 percent instead of applying scenario probability weights across the three scenarios. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements.

Economic assumption	31-Dec-25	31-Dec-24
Loss allowance on loans and advances to customers		
Base	4,848,000	2,276,845
Optimistic	4,821,219	2,229,943
Downturn	4,874,753	2,323,661
Probability weighted	4,854,519	2,286,428

(c) Measurement of expected credit losses

The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. The main difference between Stage 1 and Stage 2 expected credit losses for performing financial assets is the respective calculation horizon. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation that allows for appropriate incorporation of forward looking information.

Expected credit losses are discounted to the reporting period date using the effective interest rate. The assessment of significant increase in credit risk requires significant judgment. The Bank's process to assess changes in credit risk is multifactor and has three main categories:

Stage 1 –
Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Bank recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2 –
Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Bank measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross

Stage 3 –
Credit impaired. For debt instruments that have both a significant increase in credit risk plus

The methodology for estimating PDs is discussed above under the heading 'PD Generation Methodology'

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are produced for different economic scenarios and, for lending collateralised by property, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable.

The Group determines Credit Conversion Factors (CCFs) based on historical drawdown behaviour observed on off-balance sheet exposures. CCFs reflect the proportion of undrawn commitments expected to be utilised before default and are estimated using product-specific utilisation patterns, borrower behaviour and relevant contractual terms. Forward-looking adjustments are applied where appropriate to reflect expected changes in utilisation under different economic scenarios. CCFs are reviewed and recalibrated annually and form part of the Exposure at Default (EAD) calculation used in measuring

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period including any borrower's extension option over which the Group is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

(viii) Loss Allowance

The table below shows reconciliations from the opening to the closing balance of the loss allowance by class of financial

	31 December 2025			
Loans and advances to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	269,942	-	2,016,487	2,286,429
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	257,409	-	2,310,682	2,568,091
Write-offs	-	-	-	-
Balance as at 31 December	**527,351**	**-**	**4,327,169**	**4,854,520**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	31 December 2024			
Loans and advances to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	324,078	-	1,682,686	2,006,764
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	(54,136)	-	387,563	333,427
Write-offs	-	-	(53,762)	(53,762)
Balance as at 31 December	**269,942**	**-**	**2,016,487**	**2,286,429**

	31 December 2025			
Cash and Bank balances with CBN	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	140	-	-	140
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	36,006	-	-	36,006
Cash and Bank balances with CBN	**36,146**	**-**	**-**	**36,146**

	31 December 2024			
Cash and Bank balances with CBN	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	7,509	-	-	7,509
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	(7,369)	-	-	(7,369)
Balance as at 31 December	**140**	**-**	**-**	**140**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	31 December 2025			
Investment securities- Fair value through OCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	934,531	138,195	-	1,072,726
Transfer to stage 1	138,195	138,195	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	353,930	-	-	353,930
Balance as at 31 December	**1,426,656**	**-**	**-**	**1,426,656**

	31 December 2024			
Investment securities- Fair value through OCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	2,485,166	138,195	-	2,623,361
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,550,635)	-	-	(1,550,635)
Balance as at 31 December	**934,531**	**138,195**	**-**	**1,072,726**

	31 December 2025			
Investment securities- Amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	184	35,137	-	35,321
Transfer to stage 1	35,137	(35,137)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	1,127	-	-	1,127
Balance as at 31 December	**36,448**	**-**	**-**	**36,448**

	31 December 2024			
Investment securities- Amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	184	35,137	-	35,321
Balance as at 31 December	**184**	**35,137**	**-**	**35,321**

	31 December 2025			
Due from other Banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	120,371	-	-	120,371
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	(36,576)	-	-	(36,576)
Balance as at 31 December	**83,795**	**-**	**-**	**83,795**

	31 December 2024			
Due from other Banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	27,061	-	-	27,061
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	93,310	-	-	93,310
Balance as at 31 December	**120,371**	**-**	**-**	**120,371**

	31 December 2025			
Other assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	84,959	503,400	1,813,422	2,401,781
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Exchange difference	(4,653)	(27,568)	(99,310)	(131,531)
Net remeasurement of loss allowance	16,521	97,890	352,633	467,044
Balance as at 31 December	**96,827**	**573,722**	**2,066,745**	**2,737,294**

	31 December 2024			
Other assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	29,200	173,018	623,271	825,490
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Exchange difference	25,476	150,948	543,768	720,192
Net remeasurement of loss allowance	30,283	179,434	646,382	856,099
Balance as at 31 December	**84,959**	**503,400**	**1,813,422**	**2,401,781**

	31 December 2025			
Loan commitments and financial guarantee contracts	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	111,257	-	-	111,257
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	189,748	-	-	189,748
Balance as at 31 December	**301,005**	**-**	**-**	**301,005**

	31 December 2024			
Loan commitments and financial guarantee contracts	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	216,601	-	-	216,601
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	(105,344)	-	-	(105,344)
Balance as at 31 December	**111,257**	**-**	**-**	**111,257**

(ix) Credit risk concentration

IFRS 7 requires disclosures about concentrations of risk. Concentration of risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. This information has been provided along geographical areas (section a) and economic sectors (section b) below.

(a) Geographical concentration of risks of financial assets with credit risk exposure

The following table breaks down the Group's credit exposure (without taking into account any collateral held or other credit support), as categorised by geographical region as at the reporting date. For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

					31 December 2025	
Group and Bank	**Note**	**Within Nigeria**	**Rest of Africa**	**North America**	**Europe**	**Total**
Cash and balances with CBN	19	20,768,561	-	-	-	20,768,561
Due from other Banks	20	50,926,572	1,566,094	10,622,023	51,681,975	14,796,664
Loans and advances to customers	26	131,648,734	-	-	-	131,648,734
Investment securities:						
- Fair value through OCI	23	200,042,796	-	-	3,540,323	203,583,119
- Amortised cost	24	21,912,217	-	-	567,905	22,480,122
Pledged assets	25	28,854,623	-	-	-	28,854,623
Other assets	27	7,401,557	-	-	-	7,401,557
		461,555,060	**1,566,094**	**10,622,023**	**55,790,203**	**529,533,380**
Performance bonds and guarantees	42	21,522,086	-	-	-	21,522,086
Letters of credits	42	28,890,071	-	-	-	28,890,071
		50,412,157	**-**	**-**	**-**	**50,412,157**

					31 December 2024	
Group and Bank	**Note**	**Within Nigeria**	**Rest of Africa**	**North America**	**Europe**	**Total**
Cash and balances with CBN	19	29,007,013	-	-	-	29,007,013
Due from other Banks	20	59,723,767	1,831,514	26,067,446	78,549,610	166,172,337
Loans and advances to customers	26	124,393,540	-	-	-	124,393,540
Investment securities:						
- Fair value through OCI	23	89,801,058	-	-	3,540,323	93,341,381
- Amortised cost	24	935,876	-	-	567,905	1,503,781
Pledged assets	25	7,725,993	-	-	-	7,725,993
Other assets	27	7,347,197	-	-	-	7,347,197
		318,934,445	**1,831,514**	**26,067,446**	**82,657,838**	**429,491,242**
Performance bonds and guarantees	42	27,722,832	-	-	-	27,722,832
Letters of credits	42	27,579,875	-	-	-	27,579,875
		55,302,707	**-**	**-**	**-**	**55,302,707**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(b) Industry/sectoral exposure to credit risk

The Group's credit risk exposures at carrying amounts (without taking into account any collateral held or other credit support, if any), to the various industries or sectors of the Nigerian economy as follows:

Group	Agriculture	Construction & Real Estate	Information & Communication	Financial Institutions	Governments	Oil & Gas	Transport & Storage	Manufacturing	Others	Total
31 December 2025										
Classification	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with Central Bank of Nigeria	-	-	-	-	20,768,561	-	-	-		20,768,561
Due from other Banks	-	-	-	114,796,664	-	-	-	-		114,796,664
Loans and advances to customers	14,616,315	1,762,945	1,528,356	4,124,917	-	61,365,046	660,118	42,615,706	4,975,331	131,648,734
Investment securities- Fair value through OCI	-	-	-	9,867,991	192,622,076	701,121	-	-	405,208	203,596,396
Investment securities- Amortised cost	-	-	-	-	22,480,122	-	-	-	-	22,480,122
Pledged assets	-	-	-	-	28,854,623	-	-	-	-	28,854,623
Other assets	-	-	-	-		-	-		7,401,557	7,401,557
	14,616,315	**1,762,945**	**1,528,356**	**128,789,572**	**264,725,382**	**62,066,167**	**660,118**	**42,615,706**	**12,782,096**	**529,546,657**
Commitments and guarantees										
- Performance bonds and guarantees	-	-	2,998,562	-	-	11,394,953	-	7,078,572	50,000	21,522,087
- Letters of credits	-	-	-	-	-	23,020,161	-	5,082,061	787,848	28,890,070
	-	**-**	**2,998,562**	**-**	**-**	**34,415,114**	**-**	**12,160,633**	**837,848**	**50,412,157**

Bank	Agriculture	Construction & Real Estate	Information & Communication	Financial Institutions	Governments	Oil & Gas	Transport & Storage	Manufacturing	Others	Total
31 December 2025										
Classification	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with Central Bank of Nigeria	-	-	-	-	20,768,561		-	-	-	20,768,561
Due from other Banks	-	-	-	114,796,664	-		-	-	-	114,796,664
Loans and advances to customers	14,616,315	1,762,945	1,528,356	4,124,917	-	61,365,046	660,118	42,615,706	4,975,331	131,648,734
Investment securities- Fair value through OCI	-	-	-	9,867,991	192,622,076	701,121	-	-	405,208	203,596,396
Investment securities- Amortised cost	-	-	-	-	22,480,122	-	-	-	-	22,480,122
Pledged assets	-	-	-	-	28,854,623	-	-	-	-	28,854,623
Other assets	-	- -	-	-		-	-		7,401,557	7,401,557
	14,616,315	**1,762,945**	**1,528,356**	**128,789,572**	**264,725,382**	**62,066,167**	**660,118**	**42,615,706**	**12,782,096**	**529,546,657**
Commitments and guarantees										
- Performance bonds and guarantees	-	-	2,998,562	-	-	11,394,953	-	7,078,572	50,000	21,522,087
- Letters of credits	-	-	-	-	-	23,020,161	-	5,082,061	787,848	28,890,070
	-	**-**	**2,998,562**	**-**	**-**	**34,415,114**	**-**	**12,160,633**	**837,848**	**50,412,157**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(b) Industry/sectoral exposure to credit risk

Group

31 December 2024 Classification	Agriculture N'000	Construction & Real Estate N'000	Information & Communication N'000	Financial Institutions N'000	Governments N'000	Oil & Gas N'000	Transport & Storage N'000	Manufacturing N'000	Others N'000	Total N'000
Cash and balances with Central Bank of Nigeria	-	-	-	-	29,007,013	-	-	-	-	29,007,013
Due from other Banks	-	-	-	190,770,274	-	-			-	190,770,274
Loans and advances	18,625,929	1,225,198	6,775,121	2,002,998	-	51,880,822	1,429,706	31,904,134	10,549,632	124,393,540
Financial assets at fair value through profit or loss	-	-	-	137,594	34,456,350	-	-	-	-	34,593,944
Investment securities- Fair value through OCI	-	-	-	4,524,107	88,310,063	321,438	-	-	185,773	93,341,381
Investment securities- Amortised cost	-	-	-	-	1,503,781	-	-	-	-	1,503,781
Pledged assets	-	-	-	-	7,725,993	-	-	-	-	7,725,993
Other assets	-	-	-	-	-	-	-	-	7,347,197	7,347,197
	18,625,929	**1,225,198**	**6,775,121**	**197,434,973**	**161,003,200**	**52,202,260**	**1,429,706**	**31,904,134**	**18,082,602**	**488,683,123**
Commitments and guarantees										
- Performance bonds and guarantees	-	-	4,000,000	-	-	8,898,352	-	9,824,481	5,000,000	27,722,832
- Letters of credit	-	-		-	-	1,734,557	-	23,934,187	1,911,131	27,579,875
	-	**-**	**4,000,000**	**-**	**-**	**10,632,909**	**-**	**33,758,668**	**6,911,131**	**55,302,707**

Bank

31 December 2024 Classification	Agriculture N'000	Construction & Real Estate N'000	Information & Communication N'000	Financial Institutions N'000	Governments N'000	Oil & Gas N'000	Transport & Storage N'000	Manufacturing N'000	Others N'000	Total N'000
Cash and balances with Central Bank of Nigeria	-	-	-	-	29,007,013	-	-	-	-	29,007,013
Due from other Banks	-	-	-	190,770,274	-	-		-	-	190,770,274
Loans and advances	18,625,929	1,225,198	6,775,121	2,002,998	-	51,880,822	1,429,706	31,904,134	10,549,632	124,393,540
Financial assets at fair value through profit or loss	-	-	-	137,594	34,456,350	-	-	-	-	34,593,944
Investment securities- Fairvalue through OCI	-	-	-	4,524,107.00	88,310,063	321,438	-	-	185,773	93,341,381
Investment securities- Amortised cost	-	-	-	-	1,503,781	-	-	-	-	1,503,781
Pledged assets	-	-	-	-	7,725,993	-	-	-	-	7,725,993
Other assets	-	-	-	-	-	-	-	-	7,347,197	7,347,197
	18,625,929	**1,225,198**	**6,775,121**	**197,434,973**	**161,003,200**	**52,202,260**	**1,429,706**	**31,904,134**	**18,082,602**	**488,683,123**
Commitments and guarantees										
- Performance bonds and guarantees	-	-	4,000,000	-	-	8,898,352	-	9,824,481	5,000,000	27,722,832
- Letters of credits	-	-	-	-	-	1,734,557	-	23,934,187	1,911,131	27,579,875
	-	**-**	**4,000,000**	**-**	**-**	**10,632,909**	**-**	**33,758,668**	**6,911,131**	**55,302,707**

6.4 Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, systems, or external events. The Bank manages operational risk through its Operational Risk Management Framework, which includes governance oversight, periodic risk and control self-assessments, incident reporting, monitoring of key risk indicators, and business continuity planning. The Bank maintains a centralized operational loss database and investigates all incidents to strengthen controls and prevent recurrence. Operational risk capital is computed in line with CBN guidelines and applicable Basel standards. Operational loss events during the year were not material and did not result in any breach of regulatory requirements.

6.5 Capital management

The Bank's objectives in managing capital are:
(i) to comply with the capital requirements set by the Central Bank of Nigeria,
(ii)to safeguard the group's ability to continue as a going concern and
(iii) to maintain an optimal capital structure suitable for the group's business strategy.

The Bank is directly supervised by its regulator, the Central Bank of Nigeria (CBN), who sets and monitors capital requirements for the group. In 2015, CBN revised the Capital Adequacy Ratio (CAR) reporting template and existing guidance notes on regulatory capital, credit risk, market risk and operational risk disclosure requirement for Basel II implementation in the Industry. The Apex Bank directed all Nigerian Banks and Banking groups to re-compute capital adequacy ratio in line with the revised guidance notes. To this end, the Bank's Capital Adequacy Ratio (CAR) under Basel II has been re-computed in accordance to the new guidelines.

The CBN specifies approaches for quantifying the risk weighted assets for credit, market and operational risk for the purpose of determining regulatory capital. In compliance with CBN, the Bank adopted the Standardized Approach (SA) in determining capital charge for credit risk and market risk while capital charge for operational risk was determined using the Basic Indicator Approach (BIA).

The Bank's policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the advantages and security afforded by a sound capital position. The Bank has complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

(I) Capital adequacy ratio

The capital adequacy ratio, which is the quotient of the capital base of the Bank's risk weighted asset base, has been computed using the Basel III implementation guidelines provided by the Central Bank of Nigeria (CBN).

CAR is measured as:

$$\frac{\textbf{Total regulatory capital}}{\textbf{(Credit Risk Weighted Assets + Market Risk Weighted Assets + Operational Risk Weighted Assets)}}$$

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings and statutory reserves. Intangible assets and deferred tax asset were also deducted from Tier I capital for capital adequacy purposes.

Tier 2 capital comprises fair value reserves.

The Bank complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

The Bank throughout the review period, operated above its targeted capitalization range and well over the CBN mandated regulatory minimum of 10% on an ongoing basis. As at 31 December 2025, the Bank's capital adequacy ratio was 21.67% (31 December 2024: 18.34%).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The following table shows the composition of regulatory capital and risk weighted assets for the Bank:

Capital adequacy ratio (Bank)

In thousands of Nigerian Naira	31 December 2025	31 December 2024
Tier 1 capital		
Share capital	4,301,577	4,301,577
Share premium	3,904,731	3,904,731
Retained earnings	27,063,850	25,287,269
Statutory reserve	13,103,360	11,345,154
Tier 1 capital before regulatory deduction	**48,373,518**	**44,838,731**
Regulatory deductions		
Deferred tax asset	9,696,768	9,113,548
Other intangible assets	107,554	153,974
Total regulatory deduction	**(9,804,322)**	**(9,267,522)**
Tier 1 capital after regulatory deductions	**38,569,196**	**35,571,209**
Other deductions		
Investment in subsidiaries	1,000	1,000
Eligible Tier 1 Capital	**38,568,196**	**35,570,209**
Tier 2 capital		
Sub-ordinated debt	8,022,353	8,022,453
Fair value reserves	6,078,790	(3,959,400)
Total tier 2 capital	**14,101,143**	**4,063,053**
Eligible Tier 2 Capital	**12,856,399**	**4,063,053**
Total eligible capital	**51,424,594**	**39,633,261**
Risk-weighted assets		
Credit risk	201,922,006	188,360,465
Operational risk	30,900,194	20,996,890
Market risk	4,498,540	6,731,660
Total risk-weighted assets	**237,320,741**	**216,089,015**
Capital adequacy ratio	**21.67%**	**18.34%**
Tier 1 capital ratio	**16.25%**	**16.46%**

7 Critical accounting estimates and judgments

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below.

(a) Key sources of estimation uncertainty

(I) Measurement of the expected credit loss allowance

The measurement of the expected credit loss(ECL) 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 behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Details of the inputs, assumptions and estimation methodologies used in measuring ECL are described in note 6.3(vi), which also sets out the sensitivities of the ECL to changes in these elements.

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
- Choosing appropriate models and assumptions for the measurement of ECL; Significant assumptions include the Probability of default (PD), Loss given default (LGD) and Discount rate.
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of financial assets for the purposes of measuring ECL.

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows.

The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. The main difference between Stage 1 and Stage 2 expected credit losses for performing financial assets is the respective calculation horizon. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modeled on a collective basis using portfolio segmentation that allows for appropriate incorporation of forward looking information. Expected credit losses are discounted to the reporting period date using the effective interest rate.

(ii) Measurement of the fair value of financial instruments with significant unobservable inputs

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy. Further disclosures on the Group's valuation methodology have been made on note 5. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(iii) Recognition and recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in note 32.

(b) Critical accounting judgments in applying the Group's accounting policies

Critical accounting judgments made in applying the Group's accounting policies include:

(I) Establishing the criteria for determining whether credit risk on a financial asset has significantly increased since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

(ii) Classification of financial assets; assessment of the business model within which the assets are held and assessmemt of whether the contractual terms of the financial assets are SPPI on the princial amount outstanding.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
8 Interest income				
(a) Interest income calculated using the effective interest method				
Loans and advances to customers at amortised cost	27,393,614	25,793,837	27,393,614	25,793,837
Due from other Banks	4,101,204	5,246,762	4,101,204	5,246,762
Investment securities at amortised cost	4,718,590	540,146	4,718,590	540,146
Investment securities at FVOCI	29,346,942	11,856,433	29,346,942	11,856,433
	65,560,350	**43,437,178**	**65,560,350**	**43,437,178**

The interest income for Group and Bank amounting to N65.6 billion (2024: N43.4 billion) was calculated using the effective interest method.

(b) Other interest income				
Financial assets at FVTPL	2,021,534	5,579,927	2,021,534	5,579,927
	2,021,534	**5,579,927**	**2,021,534**	**5,579,927**
Total interest income (a+b)	**67,581,884**	**49,017,105**	**67,581,884**	**49,017,105**

The increase in interest income is primarily driven by significant growth across the Bank's earning assets, particularly investment securities, money market placements, and loans and advances to customers.

9 Interest expense				
Due to Banks	2,981,344	4,172,135	2,981,344	4,172,135
Deposits from customers	31,109,712	32,460,345	31,109,712	32,460,345
Borrowings	515,546	1,459,084	515,546	1,459,084
Due to other financial institutions	13,404,731	9,983	13,404,731	9,983
	48,011,333	**38,101,547**	**48,011,333**	**38,101,547**

The increase in interest expense, primarily driven by higher interbank borrowings, resulting in a significant rise in costs under the Due to Banks category. The increase was further supported by growth in balances due to other financial institutions, which elevated overall funding costs for the year. Interest expense on these financial liabilities has been recognised using the Effective Interest Rate (EIR) method in accordance with IFRS 9.

10 Net impairment (charge)/write-back on financial assets				
Impairment charge on loans and advances (note 26)	(2,568,091)	(333,427)	(2,568,091)	(333,427)
Impairment (charge)/writeback on off-balance sheet items (note 36.1)	(189,748)	105,344	(189,748)	105,344
Impairment writeback/(charge) on due from other Banks (note 20)	36,576	(93,310)	36,576	(93,310)
Impairment charge on investment securities at amortised cost (note 24)	(1,127)	(35,321)	(1,127)	(35,321)
Impairment (charge)/write-back on cash and balances with CBN (note 19)	(36,006)	7,369	(36,006)	7,369
Impairment (charge)/writeback on debt securities at FVOCI (note 40)	(353,930)	1,550,635	(353,930)	1,550,635
Impairment charge on other assets (note 27.3)	(467,044)	(856,099)	(467,044)	(856,099)
	(3,579,370)	**345,191**	**(3,579,370)**	**345,191**

Impairment charges increased largely due to higher loan impairment, which aligns with the growth in the Bank's loan portfolio during the year. While a write-back was recorded in due from other Banks, they were not sufficient to offset the higher loan-loss provisions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
11 Fees and commission income				

11.1 Disaggregation of fees and commission
The table below disaggregate fees and commission income from contract with customers within the scope of IFRS 15 into major service lines

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Credit-related fees	2,918,253	1,835,695	2,918,253	1,835,695
Brokerage and structuring fees	3,442,495	3,447,521	3,442,495	3,447,521
Letters of credit commissions and fees	2,029,567	1,868,265	2,029,567	1,868,265
Other fees and commissions	630,433	1,007,564	630,433	1,007,564
Net fee and commission	**9,020,748**	**8,159,045**	**9,020,748**	**8,159,045**
Timing of revenue recognition				
Point in time	9,020,748	8,159,045	9,020,748	8,159,045

Fees and commission income increased by 11%, primarily driven by higher loan-related fees arising from growth in the Bank's loan portfolio. The improved performance in credit-related and transactional fees offset reduced activity in agency and investment-banking-linked streams following the prior-year divestment.

11.2 Contract balances
The table below provides information about receivables and contract liabilities from contract with customers

	Notes	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Receivables, which are included in other assets	27	3,459,840	3,316,032	3,459,840	3,316,032

The contract balances primarily relate to fees receivable from customers on investment Banking transactions. There were no contract liabilities related to fees received in advance from customers on investment Banking transactions (2024: Nil).

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
12 Net gains on foreign exchange				
Gain on foreign currency translation	717,914	5,745,655	717,914	5,745,655
	717,914	**5,745,655**	**717,914**	**5,745,655**

Foreign exchange gains declined by 88%, mainly due to the relative strengthening of the currency from January to December 2025. This contrasts with the prior year, when significant naira depreciation generated substantial revaluation gains.

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
13(a) Net gains on financial assets at FVTPL				
Trading gain	2,063,919	4,393,409	2,063,919	4,393,409
Unrealised gain/(loss)	813,797	(724,225)	813,797	(724,225)
	2,877,716	**3,669,184**	**2,877,716**	**3,669,184**
Net gains/(loss) on financial assets at FVOCI				
13(b) Net gains/(loss) on financial assets at FVOCI				
	1,152,177	(4,158,059)	1,152,177	(4,158,059)
	1,152,177	**(4,158,059)**	**1,152,177**	**(4,158,059)**
	4,029,893	**(488,875)**	**4,029,893**	**(488,875)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

Net gains on financial assets at FVTPL and net gains/(loss) on financial assets at FVOCI were previously presented in the same note, have now been presented in different notes and separate line item on the statement of profit or loss and other comprehensive income for the current year to better reflect its nature. The comparative amounts have been restated to align with this presentation.

		Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
14	**Other operating income**				
	Sundry income	97	6,500	97	6,500
	Shared cost recovery income	22,963	59,401	22,963	59,401
	Gain on disposal of property and equipment	11,294	5,634	11,294	5,634
	Loan recovery (see note (i) below)		570,010		570,010
	Dividend income	110,434	149	110,434	149
		144,788	**641,694**	**144,788**	**641,694**

(I) In 2024, the Bank successfully recovered a total of N570 million from previously written-off non-performing loans. These recoveries arose from settlements from the customer

Other operating income declined by 77%, mainly due to the divestment of the Bank's investment banking and asset management businesses, which significantly reduced the client activities that previously generated sundry income.

		Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
15	**Other operating expenses**				
	Auditors' remuneration (note 15.1)	92,000	80,000	92,000	80,000
	Directors' emoluments (note 46)	378,953	542,765	378,953	542,765
	Administration and general expenses	783,579	467,164	783,579	467,164
	NDIC insurance premium	1,605,842	917,515	1,605,842	917,515
	Other insurance expense	173,898	89,435	173,898	89,435
	Rent and rates	23,524	37,090	23,524	37,090
	Travelling	153,068	136,490	153,068	136,490
	Donations	21,552	76,102	21,552	76,102
	Corporate development	236,269	121,443	236,269	121,443
	Periodicals and subscriptions	390,260	184,458	390,260	184,458
	Software licensing fees	1,268,741	957,895	1,268,741	957,895
	Consultancy	386,842	318,331	386,842	318,331
	Training	191,535	386,439	191,535	386,439
	Communication and postage expenses	36,346	48,255	36,346	48,255
	Bank charges	754,475	510,064	754,475	510,064
	Repairs and maintenance	56,730	30,941	56,730	30,941
	Regulatory expenses	327,320	355,756	327,320	355,756
	IT expenses	201,930	130,674	201,930	130,674
	Backduty taxes /(writeback) (note 15.2)	(178,803)	496,784	(178,803)	496,784
	Impairment charge on withholding tax receivables	-	28,000	-	28,000
	Other operating expenses	115,005	112,780	115,005	112,780
		7,019,066	**6,028,381**	**7,019,066**	**6,028,381**

15.1 Auditors remuneration represents fees for the audit of the Group and Bank for the year ended 31 December 2025. The Bank also accrued professional fees for audit of deposit liabilities for NDIC, ICFR Certification, Risk management and Corporate governance engagements. These services, in the Bank's opinion, did not impair the independence and objectivity of the external auditor

In thousands of Nigerian Naira

15.1 Auditors remuneration represents fees for the audit of the Group and Bank for the year ended 31 December 2025. The Bank also accrued professional fees for audit of deposit liabilities for NDIC, ICFR Certification, Risk management and Corporate governance engagements. These services, in the Bank's opinion, did not impair the independence and objectivity of the external auditor

Non-audit services provided during the year are stated below.

Name of firm	**Services Rendered**	**Amount**
KPMG Professional Services	Certification of deposit liabilities	3,500,000
KPMG Professional Services	Assurance over Internal Controls over Financial Reporting	23,500,000
KPMG Professional Services	Risk Management engagement	7,500,000
KPMG Professional Services	Corporate governance engagement	7,500,000

15.2 In December 2024, the Bank recognised backduty taxes of ₦496.8 million (including penalties and interest) based on a tax audit by the Lagos State Internal Revenue Service for the 2018-2019 year ends. In 2025, the tax authorities issued a revised assessment of ₦46.5 million for same years of assessment. Accordingly, the Bank reversed ₦450 million to reflect the revised liability.

Additionally, in 2025, the Bank received a notice from the Lagos State Internal Revenue Service indicating an outstanding tax liability of ₦271 million relating to the 2017 tax audit, which had become final and conclusive. The Bank has recognised this liability in the consolidated and separate financial statements.

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
16 Personnel expenses				
Wages and salaries	5,898,216	5,350,871	5,898,216	5,350,871
Pension costs:				
- Defined contribution plans to PFAs	159,378	152,062	159,378	152,062
	6,057,594	**5,502,933**	**6,057,594**	**5,502,933**

The Bank's only subsidiary, FBNQuest MB Funding SPV Plc, had no employee during the year ended 31 December 2025 (2024: Nil). The operations of the SPV are handled by the staff of the Bank and no management fee was due to the Bank during the year for this service.

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	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
17 Taxation				
(a) Tax expense				
i Minimum tax (a)				
Minimum tax	406,924	318,994	406,924	318,994
ii Current tax				
Company income tax	-	-	-	-
Education tax	608,077	423,250	608,077	423,250
Police trust fund levy	-	645	-	645
NASENI levy	39,774	32,249	39,774	32,249
Information technology levy	159,098	128,996	159,098	128,996
Windfall levy (see note 17c)	-	476,655	-	476,65
	806,949	1,061,795	806,949	1,061,795
Prior year under provision	-	152,393	-	152,393
Originating and reversing temporary difference	2,975,247	-	2,975,247	-
Income tax expenses (b)	**3,782,196**	**1,214,188**	**3,782,196**	**1,214,188**
Total tax expenses (a+b)	**4,189,120**	**1,533,182**	**4,189,120**	**1,533,182**

Reconciliation of effective tax rate

	Group 31 December 2025	%	Group 31 December 2024	%	Bank 31 December 2025	%	Bank 31 December 2024	%
Profit before minimum tax and income tax expense	15,908,492		12,897,611		15,908,492		12,897,611	
Income tax using the domestic corporation tax rate	4,772,547	30%	3,869,283	30%	4,772,547	30%	3,869,283	30%
Windfall levy	-	0%	476,655	4%	-	0%	476,655	4%
Information technology levy	159,098	1%	128,996	1%	159,098	1%	128,996	1%
Education tax	608,077	4%	423,250	3%	608,077	4%	423,250	3%
NASENI levy	39,774	0%	32,249	0%	39,774	0%	32,249	0%
Police trust fund levy	-	0%	645	0%	-	0%	645	0%
Changes in estimates relating to prior years	-	0%	152,393	1%	-	0%	152,393	1%
Tax exempt income	(5,950,173)	(37%)	(4,170,680)	(32%)	(5,950,173)	(37%)	(4,170,680)	(32%)
Non-deductible expenses	7,269,963	46%	5,304,444	41%	7,269,963	46%	5,304,444	41%
Derecognition of previously recognized deductible temporary differences	2,975,247	19%	-	-	2,975,247	19%	-	-
Recognition of previously unrecognised tax losses	(6,060,691)	-38%	(5,003,047)	(39%)	(6,060,691)	-38%	(5,003,047)	-39%
Income tax expense	**3,813,843**	**24%**	**1,214,188**	**9%**	**3,813,843**	**24%**	**1,214,188**	**9%**

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17(b) **Current tax liabilities**	**Group 31 December 2025**	**Group 31 December 2024**	**Bank 31 December 2025**	**Bank 31 December 2024**
At 1 January	1,678,740	2,791,474	1,678,740	560,366
Derecognized on disposal of subsidiaries (see note 28c)	-	(2,231,108)	-	-
Payments made during the year	(1,153,023)	(95,880)	(1,153,023)	(95,880)
Withholding tax credit note utilised during the year	(317,251)	(166,535)	(317,251)	(166,535)
Current year's income tax provision	806,949	1,061,795	806,949	1,061,795
Current year's minimum tax provision	406,924	318,994	406,924	318,994
At 31 December	**1,422,339**	**1,678,740**	**1,422,339**	**1,678,740**

17(c) In 2024, the Federal Government of Nigeria enacted the windfall levy effective 8 August 2024 to charge a 70% tax on gains on foreign exchange profits on all Banks licensed to trade in foreign currency in Nigeria for the years 2023 to 2025. The windfall levy recognized by the Bank is based on the notice received from the FIRS dated 14 February 2025, outlining the provisional windfall levy payable of N204 million and N273 million for 2023 and 2024 financial year-ends. respectively

17(d) For the 2025 financial year, the Bank prepared its income tax computation based on the provisions of the Company Income Tax Act (CITA), which is the tax legislation currently applied for 2025 financial year-ends.

18 Earnings per share

(a) Basic

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

Profit attributable to equity holders	11,719,372	11,364,429	11,719,372	11,364,429
Weighted average number of ordinary shares in issue (in '000s)	4,301,577	4,301,577	4,301,577	4,301,577
Basic earnings per share (expressed in Kobo per share)	272	264	272	264

(b) Diluted

The Bank does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders of the parent (31 December 2024: Nil).

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19 Cash and balances with Central Bank of Nigeria (CBN)	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balances with central Banks excluding mandatory reserve deposits	614,911	104,401	614,911	104,401
Mandatory reserve deposits with Central Bank of Nigeria	20,189,796	28,902,752	20,189,796	28,902,752
	20,804,707	29,007,153	20,804,707	29,007,153
Less 12 months ECL (see a below)	(36,146)	(140)	(36,146)	(140)
	20,768,561	**29,007,013**	**20,768,561**	**29,007,013**
Current	**20,768,561**	**29,007,013**	**20,768,561**	**29,007,013**

Mandatory reserve deposits with Central Bank of Nigeria is subject to restrictions imposed by the CBN.

Cash and cash equivalents decreased mainly due to the Bank's strategic reduction of local-currency deposits to manage CRR exposure. This led to decreases in balances held with both domestic and foreign banks. The released funds were redirected into investment securities, asset purchases, and repayment of borrowings, resulting in the overall reduction.

a Allowance for impairment on Cash balances with CBN				
Balance at 1 January	(140)	(7,509)	(140)	(7,509)
(Charge)/Writeback for the year (see note 10)	(36,006)	7,369	(36,006)	7,369
	(36,146)	**(140)**	**(36,146)**	**(140)**

20 Due from other banks	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Current account balances with Banks within Nigeria	14,820,135	59,723,767	14,820,135	59,723,767
Current account balances with Banks outside Nigeria	63,870,089	106,448,573	63,870,089	106,448,573
Placements with financial institutions within Nigeria	36,190,235	24,718,305	36,190,235	24,718,305
	114,880,459	190,890,645	114,880,459	190,890,645
Less 12 months ECL (see a below)	(83,795)	(120,371)	(83,795)	(120,371)
	114,796,664	**190,770,274**	**114,796,664**	**190,770,274**
Current	**114,796,664**	**190,770,274**	**114,796,664**	**190,770,274**

a Allowance for impairment on Due from other Banks				
Balance at 1 January	(120,371)	(48,964)	(120,371)	(27,061)
Derecognized on disposal of subsidiaries (see note 28c)	-	21,903	-	-
Writeback/(Charge) for the year (See note 10)	36,576	(93,310)	36,576	(93,310)
	(83,795)	**(120,371)**	**(83,795)**	**(120,371)**

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21 Cash and cash equivalents for statement of cashflow purposes

Cash and cash equivalents for purposes of the cash flow statements comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with Banks and other short-term highly liquid investments with original maturities less than three months.

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Due from other Banks with original maturities less than 3 months (note20)	114,880,459	190,890,645	114,880,459	190,890,645
Balances with central Banks excluding mandatory reserve deposits (note19)	614,911	104,401	614,911	104,401
	115,495,370	**190,995,046**	**115,495,370**	**190,995,046**

22 Financial assets at fair value through profit or loss

Federal Government of Nigeria (FGN) bonds	2,701,065	1,490,606	2,701,065	1,490,606
Corporate bonds	335,973	137,594	335,973	137,594
Treasury bills	6,419,745	32,965,744	6,419,745	32,965,744
	9,456,783	34,593,944	9,456,783	34,593,944
Current	6,419,745	32,965,744	6,419,745	32,965,744
Non-current	3,037,038	1,628,200	3,037,038	1,628,200
	9,456,783	**34,593,944**	**9,456,783**	**34,593,944**

In thousands of Nigerian Naira

23. Investment securities at FVOCI

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Debt securities				
– Treasury bills	105,902,484	24,154,721	105,902,484	24,154,721
– Federal Government of Nigeria bonds	42,144,972	60,418,001	42,144,972	60,418,001
– Other sovereign bonds	47,460,847	3,737,342	47,460,847	3,737,342
– Corporate bonds	3,516,386	3,626,418	3,516,386	3,626,418
	199,024,689	**91,936,482**	**199,024,689**	**91,936,482**
Equity securities				
– Unlisted equity investments	4,558,430	1,404,899	4,558,430	1,404,899
	4,558,430	1,404,899	4,558,430	1,404,899
	203,583,119	**93,341,381**	**203,583,119**	**93,341,381**
– Current	105,902,484	24,154,721	105,902,484	24,154,721
– Non-current	97,680,635	69,186,660	97,680,635	69,186,660
	203,583,119	**93,341,381**	**203,583,119**	**93,341,381**

The Group has designated as FVOCI, the following unquoted equities with a level 3 fair value hierarchy. Please refer to Note 5 for other disclosures and sensitivity analysis on the key unobservable inputs;

- Nigeria Inter-Bank Settlement System Plc
- FMDQ OTC Securities Exchange

The Group chose this measurement basis because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

FVOCI investments increased largely due to the Bank's strategic portfolio reshuffling that redirected more assets especially Treasury Bills into the FVOCI category. This reallocation allowed fair value movements to be recognised in OCI rather than profit or loss.

24. Investment securities at amortised cost

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
– Commercial papers	1,419,251	-	1,419,251	-
– Federal Government of Nigeria bonds	400,043	603,043	400,043	603,043
– Treasury bills	20,697,276	936,059	20,697,276	936,059
	22,516,570	**1,539,102**	**22,516,570**	**1,539,102**
– Less: ECL allowance (see a below)	(36,448)	(35,321)	(36,448)	(35,321)
Total	**22,480,122**	**1,503,781**	**22,480,122**	**1,503,781**
– Current	22,080,079	900,738	22,080,079	900,738
– Non-current	400,043	603,043	400,043	603,043
	22,480,122	**1,503,781**	**22,480,122**	**1,503,781**

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Financial assets measured at amortised cost increased significantly during the year, driven by the Bank's strategic shift toward more stable, instruments. The Bank increased its holdings of Treasury Bills, FGN Bonds, and Commercial Papers as part of a broader strategy to stabilize returns and reduce exposure to market valuation volatility. This deliberate reallocation resulted in a substantial expansion of the amortised cost investment portfolio.

a. Allowance for impairment on Investment securities at amortised cost

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	(35,321)	-	(35,321)	-
Charge for the year (see note 10)	(1,127)	(35,321)	(1,127)	(35,321)
	(36,448)	**(35,321)**	**(36,448)**	**(35,321)**

25. Pledged assets

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Amortized cost				
– Treasury bills	2,942,271	-	2,942,271	-
– Fair value through OCI				
– Treasury bills	17,213,030	-	17,213,030	-
– Federal Government of Nigeria bonds	8,699,322	7,725,993	8,699,322	7,725,993
	28,854,623	**7,725,993**	**28,854,623**	**7,725,993**
– Current	17,213,030	-	17,213,030	-
– Non-current	11,641,593	7,725,993	11,641,593	7,725,993
	28,854,623	**7,725,993**	**28,854,623**	**7,725,993**

Federal Government of Nigeria bonds and Treasury bills are pledged to other financial institutions as collateral for inter-Bank takings and FX transactions.

26. Loans and advances to customers

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Loans and advances to customers	135,643,896	126,065,853	135,643,896	126,065,853
Staff loans	859,358	614,116	859,358	614,116
Gross loans	**136,503,254**	**126,679,969**	**136,503,254**	**126,679,969**
Total allowance for impairment on loans (See note a)	(4,854,520)	(2,286,429)	(4,854,520)	(2,286,429)
Net carrying amount	**131,648,734**	**124,393,540**	**131,648,734**	**124,393,540**

a. Allowance for impairment on Loans and advances

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	(2,286,429)	(2,006,764)	(2,286,429)	(2,006,764)
Loans written off during the year	-	53,762	-	53,762
Charge for the year (See Note 10)	(2,568,091)	(333,427)	(2,568,091)	(333,427)
	(4,854,520)	**(2,286,429)**	**(4,854,520)**	**(2,286,429)**

In thousands of Nigerian Naira

The increase in loans and advances during the year, from the prior year, was primarily driven by higher disbursements of trade finance loans and bank overdrafts. This increase reflects a reallocation of funds into interest-earning loans and advances to enhance income generation.

27. Other assets

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Other financial assets:				
– Fees receivables	3,459,840	3,316,032	3,459,840	3,316,032
– AGSMEIS Investment Fund	1,955,703	1,271,312	1,955,703	1,271,312
– Due from related parties	-	640,018	-	640,018
– Receivable from First HoldCo Plc (note 28©)	-	1,517,248	-	1,517,248
– Other receivables (note 27.1)	2,107,696	377,474	2,107,696	377,474
Gross total (note 27.2)	**7,523,239**	**7,122,084**	**7,523,239**	**7,122,084**
Less: Allowances for impairment of other financial assets (note 27.3)	(2,737,294)	(2,401,781)	(2,737,294)	(2,401,781)
Net carrying amount	**4,785,945**	**4,720,303**	**4,785,945**	**4,720,303**
Non-financial assets:				
– Withholding tax receivable	2,106,454	2,267,064	2,106,454	2,267,064
– Prepayments	1,099,701	950,373	1,099,701	950,373
Gross total (note 27.4)	**3,206,155**	**3,217,437**	**3,206,155**	**3,217,437**
Less: Allowances for impairment of non-financial assets (note 27.5)	(590,543)	(590,543)	(590,543)	(590,543)
Net carrying amount	**2,615,612**	**2,626,894**	**2,615,612**	**2,626,894**
	7,401,557	**7,347,197**	**7,401,557**	**7,347,197**
– Current	5,445,854	6,075,885	5,445,854	6,075,885
– Non-current	1,955,703	1,271,312	1,955,703	1,271,312
	7,401,557	**7,347,197**	**7,401,557**	**7,347,197**

27.1. Other receivables

– NIBSS inward clearing account	-	26,000	-	26,000
– Reimbursable expenses	947	51,423	947	41,674
– Pan-African Payment and settlement account	1,975,632	-	1,975,632	-
– Other account receivables	131,117	300,051	131,117	300,051
	2,107,696	**377,474**	**2,107,696**	**367,725**

27.2. Movement of other financial assets (gross)

Balance at 1 January	7,122,084	7,130,776	7,122,084	8,538,759
Receivable from First HoldCo Plc (note 28©)	-	1,517,248	-	1,517,248
Recognized on disposal of subsidiaries (see note 28c)	-	1,407,983	-	-
Additions during the year	-	-	-	-
Payments during the year	401,155	(2,933,923)	401,155	(2,933,923)
Balance at 31 December	**7,523,239**	**7,122,084**	**7,523,239**	**7,122,084**

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27.3. Allowance for impairment on financial assets	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	2,401,781	910,026	2,401,781	825,490
Derecognized on disposal of subsidiaries (see note 28c)	-	(84,536)	-	-
Exchange difference	(131,531)	720,192	(131,531)	720,192
Impairment charge (see note 10)	467,044	856,099	467,044	856,099
Balance at 31 December	**2,737,294**	**2,401,781**	**2,737,294**	**2,401,781**

27.4. Movement of other non-financial assets (gross)	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	3,217,437	3,416,398	3,217,437	2,754,244
Derecognized on disposal of subsidiaries (see note 28c)	-	(662,154)	-	-
Additions during the year	-	-	-	-
Payments during the year	(11,282)	463,193	(11,282)	463,193
Balance at 31 December	**3,206,155**	**3,217,437**	**3,206,155**	**3,217,437**

27.5. Allowance for impairment on non-financial assets	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	590,543	570,802	590,543	562,543
Derecognized on disposal of subsidiaries (see note 28c)	-	(8,259)	-	-
Additional impairment (see note 15)	-	28,000	-	28,000
Balance at 31 December	**590,543**	**590,543**	**590,543**	**590,543**

28. Investment in subsidiaries

	Bank 31 December 2025	Bank 31 December 2024
Investment in FBNQ MB Funding SPV Plc	1,000	1,000
	1,000	**1,000**
Less: Allowances for impairment	-	-
	1,000	**1,000**

a. Movement in Investment in subsidiaries	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	1,000	1,738,106
Write-off of impairment of investment in subsidiaries (see note (b) below)	-	(219,858)
Transfer to other assets (see note © below)	-	(1,517,248)
Balance at 31 December	**1,000**	**1,000**

b. Allowance for impairment on Investment in subsidiaries	Bank 31 December 2025	Bank 31 December 2024
Balance at 1 January	-	(219,858)
Write-off of impairment of investment in subsidiaries (see note (a) above)	-	219,858
Balance at 31 December	-	-

c. Discontinued operations

The Board of Directors of Quest Merchant Bank Limited at the meeting held on 14 December 2023 and 7 February 2024 approved the transfer of FBNQuest Asset Management and FBNQuest Securities Limited respectively to First HoldCo Plc effective 31 December 2023 subject to the approval of the Central Bank of Nigeria. The transfer amount was the net book value, sum of N1.52 billion, of the Bank's investment in these subsidiaries as at 31 December 2023.

The CBN approved these transfers on 24 December 2024. As at 31 December 2024, the N1.52 billion receivable from First HoldCo Plc in respect of the transfers was reclassified to other assets. See note 27.

Given that the effective date of the transfer was 31 December 2023, no revenue or expenses were earned nor incurred by the Group for the year ended 31 December 2024 relating to the transferred subsidiaries. The results of the transferred subsidiaries were not consolidated for the year ended 31 December 2024.

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Results from discontinued operations	Note	31 December 2024
Revenue		-
Expenses		-
Profit from discontinued operations		**-**

Effect of disposal on the financial position of the Group

Cash and cash equivalents		
- Due from other Banks		(9,044,128)
- Allowance for impairment on due from other Bank	20a	21,903
Staff loans	42(iv)	(177,009)
Investment securities at:		
- Fair value through profit and loss	42(v)	(3,199,998)
- Fair value through other comprehensive income	42(xiii)(a)	(2,788,276)
- Amortised cost	42(xiii)(b)	(1,589,137)
Property and equipment	29	(129,306)
Intangible assets	30	(72,173)
Other assets		
- Other financial assets	27.2	1,407,983
- Allowance for impairment on other financial assets	27.3	84,536
- Other non-financial assets	27.4	(662,154)
- Allowance for impairment on other non-financial assets	27.5	8,259
Deposits from customers	42(ix)	(1,442,307)
Accruals and other liabilities	42(x)	4,452,753
Current tax liabilities	17(b)	2,231,108
Deferred tax liabilities	32	479,693
Net assets		**(10,418,252)**
Total disposal proceeds receivable from FBNHoldings Plc	27	1,517,248
Net assets disposed		**(8,901,004)**

Cash flows from discontinued operations

There were no cash flows from the discontinued operations during the year ended 31 December 2024. The subsidiaries were transferred at a book value of 1.5 billion, which was recognised as a receivable from First HoldCo Plc as at 31 December 2024. The outstanding consideration was subsequently received in cash during the year ended 31 December 2025. See Note 27.

29. Property and equipment (Group)

	Freehold Land & Building	Motor Vehicle	Leasehold Improvement	Furniture & Fittings	Office Equipment	Computer Equipment	Work In Progress	Total
Cost								
Balance at 1 January 2025	1,691,203	777,930	363,754	200,235	384,550	1,727,800	106,130	5,251,602
Additions during the year	48,971	1,615,964	105,136	19,651	26,509	171,124	1,866,035	3,853,390
Disposals during the year	-	(363,934)	-	(28,504)	(9,212)	(11,299)	-	(412,948)
Reclassifications	61,173	1,268,826	16,091	-	44,438	137,394	(1,527,922)	-
Balance as at 31 December 2025	**1,801,346**	**3,298,786**	**484,981**	**191,382**	**446,286**	**2,025,019**	**444,243**	**8,692,044**
Cost								
Balance at 1 January 2024	1,659,011	1,465,773	252,630	184,038	178,654	1,383,437	565,399	5,688,941
Additions during the year	3,290	307,250	111,124	18,635	31,345	127,234	195,932	794,810
Derecognized on disposal of subsidiaries	-	(251,259)	-	(1,343)	(4,017)	(45,988)	(44,694)	(347,301)
Disposals during the year	-	(812,884)	-	(1,095)	(4,391)	(1,348)	(766)	(820,484)
Reclassifications	28,902	65,000	-	-	182,959	264,465	(541,326)	-
Transfers from/(to) other accounts	-	4,050	-	-	-	-	(68,415)	(64,365)
Balance as at 31 December 2024	**1,691,203**	**777,930**	**363,754**	**200,235**	**384,550**	**1,727,800**	**106,130**	**5,251,602**
Accumulated depreciation								
Balance at 1 January 2025	244,150	369,335	157,183	141,264	157,496	1,282,400	-	2,351,828
Charge for the year	37,889	388,398	66,846	18,872	70,210	281,782	-	863,997
Disposals during the year	-	(160,031)	-	(28,497)	(9,211)	(10,360)	-	(208,099)
Transfers to other accounts	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	**282,039**	**597,702**	**224,029**	**131,639**	**218,495**	**1,553,822**	**-**	**3,007,726**
Accumulated depreciation								
Balance at 1 January 2024	206,210	1,164,892	119,345	128,484	82,587	872,500	-	2,574,018
Charge for the year	37,940	165,003	39,148	15,796	81,229	430,635	-	769,751
Derecognized on disposal of subsidiaries	-	(192,766)	(1,310)	(1,922)	(1,929)	(20,067)	-	(217,994)
Disposals during the year	-	(752,900)	-	(1,094)	(4,391)	(668)	-	(759,053)
Transfers to other accounts	-	(14,894)	-	-	-	-	-	(14,894)
Balance as at 31 December 2024	**244,150**	**369,335**	**157,183**	**141,264**	**157,496**	**1,282,400**	**-**	**2,351,828**
Carrying amount								
Balance at 1 January 2024	1,452,801	300,881	133,285	55,554	96,067	510,937	565,399	3,114,923
Balance as at 31 December 2024	1,447,053	408,595	206,571	58,971	227,054	445,400	106,130	2,899,776
Balance as at 31 December 2025	**1,519,307**	**2,701,084**	**260,952**	**59,743**	**227,791**	**471,197**	**444,243**	**5,684,318**

(i) Work in Progress refers to capital expenditures incurred on items of property and equipment which are however not ready for use and as such are not being depreciated
(ii) The Group had no capital commitments as at 31 December 2025 (2024: Nil).
(iii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year (2024: Nil).
(iv) There are no restrictions on the Group 's title to its property and equipment.
(v) There are no impairment losses for the year (2024:Nil).
(vi) There were reclassifications of N1.52 billion during the year for completed property and equipment from work in progress during the period (2024: N541.32million)

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29. Property and equipment (Bank)
In thousands of Nigerian Naira

	Freehold Land & Building	Motor Vehicle	Leasehold Improvement	Furniture & Fittings	Office Equipment	Computer Equipment	Work In Progress	Total
Cost								
Balance at 1 January 2025	1,691,203	777,930	363,754	200,235	384,550	1,727,800	106,130	5,251,602
Additions during the year	48,971	1,615,964	105,136	19,651	26,509	171,124	1,866,035	3,853,390
Disposals during the year	-	(363,934)	-	(28,504)	(9,212)	(11,299)	-	(412,948)
Reclassifications	61,173	1,268,826	16,091	-	44,438	137,394	(1,527,922)	-
Balance as at 31 December 2025	**1,801,346**	**3,298,786**	**484,981**	**191,382**	**446,286**	**2,025,019**	**444,243**	**8,692,044**
Cost								
Balance at 1 January 2024	1,659,011	1,214,514	252,630	182,695	174,637	1,337,449	520,705	5,341,641
Additions during the year	3,290	307,250	111,124	18,635	31,345	127,234	195,932	794,810
Disposals during the year	-	(812,884)	-	(1,095)	(4,391)	(1,348)	(766)	(820,484)
Reclassifications	28,902	65,000	-	-	182,959	264,465	(541,326)	-
Transfers from/(to) other accounts	-	4,050	-	-	-	-	(68,415)	(64,365)
Balance as at 31 December 2024	**1,691,203**	**777,930**	**363,754**	**200,235**	**384,550**	**1,727,800**	**106,130**	**5,251,602**
Accumulated depreciation								
Balance at 1 January 2025	244,150	369,335	157,183	141,264	157,496	1,282,400	-	2,351,828
Charge for the year	37,889	388,398	66,846	18,872	70,210	281,782	-	863,997
Disposals during the year	-	(160,031)	-	(28,497)	(9,211)	(10,360)	-	(208,099)
Transfers to other accounts	-	-	-	-	-	-	-	-
Balance as at 31 December 2025	**282,039**	**597,702**	**224,029**	**131,639**	**218,495**	**1,553,822**	**-**	**3,007,726**
Accumulated depreciation								
Balance at 1 January 2024	206,210	972,126	118,035	126,562	80,658	852,433	-	2,356,024
Charge for the year	37,940	165,003	39,148	15,796	81,229	430,635	-	769,751
Disposals during the year	-	(752,900)	-	(1,094)	(4,391)	(668)	-	(759,053)
Transfers to other accounts	-	(14,894)	-	-	-	-	-	(14,894)
Balance as at 31 December 2024	**244,150**	**369,335**	**157,183**	**141,264**	**157,496**	**1,282,400**	**-**	**2,351,828**
Carrying amount								
Balance at 1 January 2024	1,452,801	242,389	134,595	56,133	93,979	485,016	520,705	2,985,617
Balance as at 31 December 2024	1,447,053	408,595	206,571	58,971	227,054	445,400	106,130	2,899,776
Balance as at 31 December 2025	**1,519,308**	**2,701,085**	**260,952**	**59,743**	**227,791**	**471,197**	**444,243**	**5,684,318**

i) The Bank had no capital commitments as at 31 December 2025 (2024: Nil).
(ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year (2024: Nil).
(iii) There are no restrictions on the Bank 's title to its property and equipment.
(v) There are no impairment losses for the year (2024:Nil).
(vi) There were reclassifications of N1.53 billion million during the year for completed property and equipment from work in progress during the period (2024: N541.3 million)

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30. Intangible assets

Group	Computer Equipment	Work In Progress	Total
Cost			
Balance at 1 January 2025	3,677,052	77,956	3,755,008
Additions during the year	5,345	3,612	8,957
Reclassifications	30,878	(30,878)	-
Balance as at 31 December 2025	**3,713,275**	**50,690**	**3,763,965**
Cost			
Balance at 1 January 2024	3,839,294	74,777	3,914,071
Additions during the year	32,069	80,646	112,715
Reclassifications	132,383	(132,383)	-
Transfers from property and equipment	-	68,415	68,415
Derecognized on disposal of subsidiaries	(326,694)	(13,499)	(340,193)
Balance as at 31 December 2024	**3,677,052**	**77,956**	**3,755,008**
Accumulated Amortisation			
Balance at 1 January 2025	3,601,034	-	3,601,034
Charge for the year	55,376	-	55,376
Balance as at 31 December 2025	**3,656,410**	-	**3,656,410**
Accumulated Amortisation			
Balance at 1 January 2024	3,749,461	-	3,749,461
Charge for the year	119,592	-	119,592
Derecognized on disposal of subsidiaries	(268,019)	-	(268,019)
Balance as at 31 December 2024	**3,601,034**	-	**3,601,034**
Carrying amount			
Balance at 1 January 2024	89,833	74,777	164,610
Balance as at 31 December 2024	76,018	77,956	153,974
Balance as at 31 December 2025	**56,865**	**50,690**	**107,554**

(i) All intangible assets are non current. Intangible assets of the Group have finite useful life and are amortised over 3 years
(ii) Intangible assets represents the Group's IT core applications and other auxiliary IT software
(iii) The Group does not have internally generated intangible assets
(iv) The Group had no capital commitments as at 31 December 2025 (2024: Nil).
(v) There are no impairment losses for the year (2024:Nil).
(v) There were reclassifications of N30.9 million during the year for completed computer software from work in progress during the year (2024: N132.4 million)

In thousands of Nigerian Naira

30. Intangible assets

Bank	Computer Equipment	Work In Progress	Total
Cost			
Balance at 1 January 2025	3,677,052	77,956	3,755,008
Additions during the year	5,345	3,612	8,957
Reclassifications	30,878	(30,878)	-
Balance as at 31 December 2025	**3,713,275**	**50,690**	**3,763,965**
Cost			
Balance at 1 January 2024	3,512,600	61,278	3,573,878
Additions during the year	32,069	80,646	112,715
Reclassifications	132,383	(132,383)	-
Transfers from/(to) other accounts	-	68,415	68,415
Balance as at 31 December 2024	**3,677,052**	**77,956**	**3,755,008**
Accumulated Amortisation			
Balance at 1 January 2025	3,601,034	-	3,601,034
Charge for the year	55,376	-	55,376
Balance as at 31 December 2025	**3,656,410**	-	**3,656,410**
Accumulated Amortisation			
Balance at 1 January 2024	3,481,442	-	3,481,442
Charge for the year	119,592	-	119,592
Balance as at 31 December 2024	**3,601,034**	-	**3,601,034**
Carrying amount			
Balance at 1 January 2024	31,158	61,278	92,435
Balance as at 31 December 2024	76,018	77,956	153,974
Balance as at 31 December 2025	**56,865**	**50,690**	**107,554**

(i) All intangible assets are non current. Intangible assets of the Group have finite useful life and are amortised over 3 years
(ii) Intangible assets represents the Group's IT core applications and other auxiliary IT software
(iii) The Group does not have internally generated intangible assets
(iv) The Group had no capital commitments as at 31 December 2025 (2024: Nil).
(v) There are no impairment losses for the year (2024:Nil).
(v) There were reclassifications of N30.9 million during the year for completed computer software from work in progress during the year (2024: N132.4 million)

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31. Right of use assets

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Cost				
Balance as at 1 January	46,352	46,352	46,352	46,352
Reversals due to lease modifications	-	-	-	-
Balance as at 31 December	**46,352**	**46,352**	**46,352**	**46,352**
Depreciation				
Balance as at 1 January	46,352	46,352	46,352	46,352
Depreciation for the year	-	-	-	-
Reversals due to lease modifications	-	-	-	-
Balance as at 31 December	**46,352**	**46,352**	**46,352**	**46,352**
Carrying amount as at 31 December	-	-	-	-

32. Deferred tax assets

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2024: 30%).

Deferred tax assets and liabilities are attributable to the following items:

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Deferred tax liabilities				
Property and equipment and intangible assets	643,034	369,026	643,034	369,026
Unrealised exchange difference	2,915,434	867,322	2,915,434	867,322
Total deferred tax liabilities	**3,558,468**	**1,236,348**	**3,558,468**	**1,236,348**
Deferred tax assets				
Tax loss carried forward	(4,960,858)	(8,041,183)	(4,960,858)	(8,041,183)
Impairment of financial assets	(300,109)	(890,309)	(300,109)	(890,309)
Unabsorbed capital allowance	(2,505,557)	(648,287)	(2,505,557)	(648,287)
Fair value adjustments	(131,956)	(131,956)	(131,956)	(131,956)
Provisions	(1,798,288)	(638,161)	(1,798,288)	(638,161)
Total deferred tax assets	(9,696,768)	(10,349,896)	(9,696,768)	(10,349,896)
Net deferred tax asset	**(6,138,300)**	**(9,113,548)**	**(6,138,300)**	**(9,113,548)**

The deferred tax asset is to be recovered after more than 12 months.

Movements in temporary differences during the year:

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In thousands of Nigerian Naira

Group	1 January 2025	Recognised in P or L	Recognised in OCI	31 December 2025
Tax losses carried forward	8,041,183	(3,080,325)	-	4,960,858
Unabsorbed capital allowance	648,287	1,857,270	-	2,505,557
Unrealised exchange difference	(867,322)	(2,048,112)	-	(2,915,434)
Impairment charge	890,309	(590,200)	-	300,109
Property and equipment and intangible assets	(369,026)	(274,008)	-	(643,034)
Fair value adjustment	131,956	-	-	131,956
Provisions	638,161	1,160,127	-	1,798,288
	9,113,548	**(2,975,248)**	**-**	**6,138,300**

Bank	1 January 2025	Recognised in P or L	Recognised in OCI	31 December 2025
Tax losses carried forward	8,041,183	(3,080,325)	-	4,960,858
Unabsorbed capital allowance	648,287	1,857,270	-	2,505,557
Unrealised exchange difference	(867,322)	(2,048,112)	-	(2,915,434)
Impairment charge	890,309	(590,200)	-	300,109
Property and equipment and intangible assets	(369,026)	(274,008)	-	(643,034)
Fair value adjustment	131,956	-	-	131,956
Provisions	638,161	1,160,127	-	1,798,288
	9,113,548	**(2,975,248)**	**-**	**6,138,300**

Group	1 January 2024	Recognised in P or L	Recognised in OCI	31 December 2024
Tax losses carried forward	8,600,638	(559,455)	-	8,041,183
Unabsorbed capital allowance	648,287	-	-	648,287
Unrealised exchange difference	(172,161)	(695,161)	-	(867,322)
Impairment charge	41,222	849,087	-	890,309
Property and equipment and intangible assets	(649,129)	280,103	-	(369,026)
Fair value adjustment	-	131,956	-	131,956
Provisions	164,998	473,163	-	638,161
Temporary differences related to disposed subsidiaries (see note 28c)	-	(479,693)	-	-
	8,633,855	-	**-**	**9,113,548**

Bank	1 January 2024	Recognised in P or L	Recognised in OCI	31 December 2024
Tax losses carried forward	8,967,012	(925,829)	-	8,041,183
Unabsorbed capital allowance	648,287	-	-	648,287
Unrealised exchange difference	(69,361)	(797,961)	-	(867,322)
Impairment charge	174,151	716,158	-	890,309
Property and equipment and intangible assets	(606,541)	237,515	-	(369,026)
Fair value adjustment	-	131,956	-	131,956
Provisions	-	638,161	-	638,161
	9,113,548	**-**	**-**	**9,113,548**

In thousands of Nigerian Naira

Unrecognised deferred tax assets

	Group		Bank	
	Gross amount N'000	Tax impact N'000	Gross amount N'000	Tax impact N'000
Tax losses	11,386,774	3,416,032	11,386,774	3,416,032
As at 31 December 2025	**11,386,774**	**3,416,032**	**11,386,774**	**3,416,032**

Unrecognised deferred tax assets

	Group		Bank	
	Gross amount N'000	Tax impact N'000	Gross amount N'000	Tax impact N'000
Unutilised tax credits (capital allowances)	7,225,852	2,167,756	7,225,852	2,167,756
Tax losses	4,017,019	1,205,106	4,017,019	1,205,106
As at 31 December 2024	**11,242,871**	**3,372,862**	**11,242,871**	**3,372,862**

The Group and the Bank had N3.42 billion unrecognized deferred tax asset as at 31 December 2025 (2024: N3.37 billion) primarily attributable to unrelieved taxes losses (2024: unrelieved tax losses and untilized capital allowances). This has not been recognized because of the unavailability of sufficient future taxable profits.

33. Due to Banks

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Tenored interbank takings	42,611,205	13,078,649	42,611,205	13,078,649
	42,611,205	**13,078,649**	**42,611,205**	**13,078,649**
Current	42,611,205	13,078,649	42,611,205	13,078,649
Non-current	-	-	-	-
	42,611,205	**13,078,649**	**42,611,205**	**13,078,649**

The increase is driven by higher short-term interbank borrowings undertaken to meet liquidity needs and fund operational requirements. The Bank deliberately increased reliance on these takings as a flexible funding source and to manage its LDR and CRR exposure

The tenored interbank takings comprise short-term USD takings with tenor of 90 days at 1%.

34. Due to customers

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Call deposits	4,747,161	7,692,421	4,747,161	7,692,421
Tenored deposits	237,583,009	343,804,125	237,583,009	343,804,125
	242,330,170	**351,496,546**	**242,330,170**	**351,496,546**
Current	242,330,170	351,496,546	242,330,170	351,496,546
Non-current	-	-	-	-
	242,330,170	**351,496,546**	**242,330,170**	**351,496,546**

Due to customers include only financial instruments classified as liabilities at amortised cost.

In thousands of Nigerian Naira

35. Borrowings

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Corporate bonds issued (see note (I) below)	8,022,353	8,022,453	8,022,353	8,022,453
	8,022,353	**8,022,453**	**8,022,353**	**8,022,453**
Current	22,353	22,453	22,353	22,453
Non-current	8,000,000	8,000,000	8,000,000	8,000,000
	8,022,353	**8,022,453**	**8,022,353**	**8,022,453**

Movement in borrowings

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Corporate bonds issued				
Opening balance	8,022,453	8,021,183	8,022,453	8,021,183
Coupon accrued during the year	500,000	501,370	500,000	501,370
Coupon paid	(500,100)	(500,100)	(500,100)	(500,100)
Closing balance	**8,022,353**	**8,022,453**	**8,022,353**	**8,022,453**

(I) Corporate bonds issued: This represents series 2 fixed rate unsecured bonds of N8 billion with tenor 10 years and with interest rate of 6.25%. The series 2 bond will mature on 16 December 2030. Subject to any purchase and cancellation of early redemption, the bond shall be redeemed on redemption date at 100% of its nominal amount. The bonds were raised through FBNQ MB Funding SPV Plc, which was established for the sole purpose of issuing bonds or debt instruments to fund the Bank's working capital, enhance liquidity and capital base. The SPV is 100% owned by the Bank and has been consolidated in these financial statements.

Series number	Amount	Tenor (years)	Interest rate	Maturity date
Series 2	8,000,000	10	6.25	Dec. 16, 2030

36. Other liabilities

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Financial liabilities				
Trade related liabilities (see note (I) below)	55,376,906	44,503,667	55,376,906	44,503,667
NIBSS inward clearing account	1,807,298	-	1,807,298	-
Deposit for shares (see note (ii) below)	435,000	-	435,000	-
Accounts payable	3,436,159	3,513,691	3,437,159	3,513,691
Accrued expenses	2,819,760	3,434,646	2,819,760	3,434,646
	63,875,123	**51,452,004**	**63,876,123**	**51,276,765**
Non-financial liabilities				
Deferred income	307,887	738,170	307,887	738,170
Statutory payables	247,344	286,496	247,344	286,496
Impairment allowance - Off-balance sheet exposures (note 36.1)	301,005	111,257	301,005	111,257
	64,731,359	**52,411,688**	**64,732,359**	**52,412,688**
Current	64,731,359	52,412,688	64,732,359	52,412,688
Non-current	-	-	-	-
	64,731,359	**52,412,688**	**64,732,359**	**52,412,688**

In thousands of Nigerian Naira

(I). This represents the Naira value of foreign currency-denominated liabilities due to correspondent banks and customers on letter of credit transactions.

(ii). As part of the Central Bank of Nigeria's (CBN) recapitalisation requirements for merchant banks, the Bank received ₦435 million as deposit for shares toward meeting the prescribed minimum capital threshold. As at 31 December 2025, the recapitalisation process was pending CBN approval; accordingly, the amount has been recognised as a deposit for shares within Other Liabilities.

Subsequent to the reporting date, the Bank received additional capital contributions, which have similarly been recognised as deposits for shares pending completion of the regulatory process and the formal issuance of shares.

Following the reporting date, the CBN granted approval for the Bank's recapitalisation, and the process of converting these deposits to equity is currently being finalised.

36.1. Movement in impairment allowance

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
As at 1 January	111,257	216,601	111,257	216,601
Impairment charge/(write-back) during the year (note 10)	189,748	(105,344)	189,748	(105,344)
At 31 December	**301,005**	**111,257**	**301,005**	**111,257**

The balance above relates to impairment on both Bank Guarantees and Letters of Credit (LCs)

37. Due to other financial institutions

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Tenored takings - other financial institutions	134,037,101	-	134,037,101	-
Payable to Pension Fund Administrators (PFAs)	636,696	31,136,158	636,696	31,136,158
	134,673,797	**31,136,158**	**134,673,797**	**31,136,158**
Current	134,672,797	31,136,158	134,673,797	31,136,158
Non-current	-	-	-	-
	134,672,797	**31,136,158**	**134,673,797**	**31,136,158**

Due to other financial institutions represents deposits received from Pension Fund Custodians (PFCs) on behalf of the PFAs and takings from other financial institutions.

Due to other financial institutions, which was previously included within Other liabilities, has been presented as a separate line item in the statement of financial position for the current year to better reflect its nature. The comparative amounts have been restated to align with this presentation. This qualifies as a change in presentation under the relevant accounting standard.

38. Share capital

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Issued and fully paid				
4,301,577,000 ordinary shares of N1 each	4,301,577	4,301,577	4,301,577	4,301,577

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39. Share premium and reserves

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024

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

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

	3,904,731	3,904,731	3,904,731	3,904,731

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

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance as at 1 January	25,287,269	24,493,680	25,287,269	15,815,424
Profit for the year	11,719,372	11,364,429	11,719,372	11,364,429
Transfer to statutory and credit risk reserves (see c and d below)	(2,288,157)	(1,892,585)	(2,288,157)	(1,892,585)
Dividend paid	(7,654,634)	-	(7,654,634)	-
Derecognition of the disposed subsidiaries' retained earnings	-	(8,678,255)	-	-)
Balance as at 31 December	**27,063,850**	**25,287,269**	**27,063,850**	**25,287,269**

(c) Statutory reserve: Nigerian Banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital 15% of profit after tax if the statutory reserve is greater than the paid up share capital. Since the statutory reserve exceeds the paid up share capital, a 15% appropriation has been made (2024: 15%).

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance as at 1 January	11,345,154	9,640,489	11,345,154	9,640,489
PTransfer during the year	1,758,206	1,704,665	1,758,206	1,704,665
Balance as at 31 December	**13,103,360**	**11,345,154**	**13,103,360**	**11,345,154**

(d) Regulatory risk reserve: Non-distributable regulatory reserve for the excess between the impairment reserve on loans and advances determined using the Prudential Guidelines issued by the Central Bank of Nigeria over the impairment reserves calculated under IFRS Accounting Standards.

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance as at 1 January	2,146,854	1,958,934	2,146,854	1,958,934
Transfer during the year (see statement of prudential adjustments)	529,951	187,920	529,951	187,920
Balance as at 31 December	**2,676,805**	**2,146,854**	**2,676,805**	**2,146,854**

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(e) **General reserve:** This comprises of reserves attributable to the acquisition of the subsidiaries and non-distributable to shareholders

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Balance as at 1 January	-	26,598	-	-
Derecognition of the disposed subsidiaries' general reserve	-	(26,598)	-	-
	-	-	-	-

40. Fair value reserve

The fair value reserve shows the effects of the fair value measurement of financial instruments classified as FVOCI. Gains or losses on debt securities at FVOCI are not recognised in the income statement until the asset has been sold or impaired.

Below is the movement in fair value reserves

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
FVOCI				
At beginning of the year	(3,959,400)	(2,666,368)	(3,959,400)	(2,862,519)
Fair value movement during the year (see note a below)	10,038,190	(1,096,881)	10,038,190	(1,096,881)
Derecognition of the disposed subsidiaries' fair value reserves	-	(196,151)	-	-
At end of the year	**6,078,790**	**(3,959,400)**	**6,078,790**	**(3,959,400)**

(a) **Fair value movement during the year**

Fair value changes movement on debt securities and equity investments	12,064,716	3,885,213	12,064,716	3,885,213
Impairment changes for the year	353,930	(1,550,635)	353,930	(1,550,635)
Fair value gain on derecognized FVOCI debt securities reclassified to P/L	(2,380,456)	(3,431,459)	(2,380,456)	(3,431,459)
	10,038,190	**(1,096,881)**	**10,038,190**	**(1,096,881)**

The loss on fair value through other comprehensive income (FVOCI) are recognised at gross amount, as they are tax exempt.

In thousands of Nigerian Naira

41. Notes to cash flow statement

Reconciliation of profit before tax to cash generated from operations

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Profit before income tax	15,908,492	12,897,611	15,908,492	12,897,611
Adjustments for:				
– Depreciation of PPE (note 29)	863,997	769,751	863,997	769,751
– Amortisation of intangible assets (note 30)	55,376	119,592	55,376	119,592
– Profit on disposal of PPE (notes 14 and 15)	(11,294)	(5,634)	(11,294)	(5,634)
– Fair value gain on derecognized debt securities (note 41)	(2,380,456)	(3,431,459)	(2,380,456)	(3,431,459)
– Impairment (writeback)/charge for credit and other losses (note	3,579,370	(345,191)	3,579,370	(345,191)
– Impairment charge on withholding tax receivables (note 15)	-	28,000	-	28,000
– Net loss/(gains) from financial assets at FVTPL (note 13)	(2,877,716)	488,875	(2,877,716)	488,875
– Unrealised foreign exchange gain on revaluation (note 12)	(717,914)	(5,745,655)	(717,914)	(5,745,655)
– Net interest income (notes 8 and 9)	(19,570,551)	(10,915,558)	(19,570,551)	(10,915,558)
	(5,150,696)	**(6,139,668)**	**(5,150,696)**	**(6,139,668)**
Changes in working capital:				
– Restricted deposit (note 42.ii)	8,712,956	44,918,608	8,712,956	44,918,608
– Loans and advances to customers (note 42.iii)	(7,818,634)	(15,808,829)	(7,818,634)	(15,808,829)
– Loans and advances to staff (note 42.iv)	(245,242)	(35,334)	(245,242)	(35,334)
– 'Financial assets at FVTPL (note 42.v)	28,124,523	(30,462,160)	28,124,523	(30,462,160)
– Pledged assets (note 42.vi)	(21,128,630)	32,874,007	(21,128,630)	32,874,007
– Other assets (note 42.vii)	(838,655)	3,024,387	(838,655)	3,024,387
– Due to Banks (note 42.viii)	29,435,978	(36,981,897)	29,435,978	(36,981,897)
– Due to other financial institutions (note 42.xvi)	101,713,954	29,430,071	101,713,954	29,430,071
– Due to customers (note 42.ix)	(112,676,897)	124,413,686	(112,676,897)	124,413,686
– Other liabilities (note 42.x)	12,128,923	63,309,945	12,128,923	63,309,945
Cash generated from operations	**32,257,579**	**208,542,817**	**32,257,579**	**208,542,817**

i Due from other Banks

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Opening balance	190,770,274	45,577,090	190,770,274	36,554,864
Movement during the year	(75,973,610)	154,215,410	(75,973,610)	154,215,410
Derecognized on disposal of subsidiaries (see note 28c)	-	(9,022,226)	-	-
Closing balance (see note 20)	**114,796,664**	**190,770,274**	**114,796,664**	**190,770,274**

ii Restricted deposits

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Opening balance	28,902,752	28,902,752	28,902,752	73,821,360
Movement during the year	(8,712,956)	-	(8,712,956)	(44,918,608)
Closing balance (see note 19)	**20,189,796**	**28,902,752**	**20,189,796**	**28,902,752**

iii Loans and advances to customers

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Opening balance	123,779,424	105,222,711	123,779,424	105,222,711
Movement during the year	7,818,634	15,808,829	7,818,634	15,808,829
Interest receivable on loans and advances (see xiv)	1,759,409	3,081,311	1,759,409	3,081,311
Impairment (see note 10)	(2,568,091)	(333,427)	(2,568,091)	(333,427)
Closing balance (see note 16)	**130,789,376**	**123,779,424**	**130,789,376**	**123,779,424**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

41 Notes to cash flow statement

Reconciliation of profit before tax to cash generated from operations

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
iv Loans and advances to staff				
Balance as at January 1	614,116	755,791	614,116	578,782
Derecognised on disposal of subsidiaries (note 28c)	-	(177,009)	-	-
Movement during the year	245,242	35,334	245,242	35,334
Closing balance (See Note 26)	**859,358**	**614,116**	**859,358**	**614,116**
v Financial assets at FVTPL				
Opening balance	34,593,944	7,527,010	34,593,944	4,327,012
Movement during the year	(28,124,523)	30,462,160	(28,124,523)	30,462,160
Derecognised on disposal of subsidiaries (see note 28c)	-	(3,199,998)	-	-
Interest receivable on financial assets at FVTPL (see xiv)	109,646	293,647	109,646	293,647
Net gains on financial assets at FVTPL	2,877,716	(488,875)	2,877,716	(488,875)
Closing balance (see note 22)	**9,456,783**	**34,593,944**	**9,456,783**	**34,593,944**
vi Pledged asset				
Opening balance	7,725,993	40,600,000	7,725,993	40,600,000
Movement during the year	21,128,630	(32,874,007)	21,128,630	(32,874,007)
Closing balance (see note 25)	**28,854,623**	**7,725,993**	**28,854,623**	**7,725,993**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
vii Other assets				
Opening balance	7,347,197	9,066,346	7,347,197	9,904,970
Movement during the year	838,655	(3,024,387)	838,655	(3,024,387)
Recognised on disposal of subsidiaries	-	838,624	-	-
Withholding tax utilised	(317,251)	(166,535)	(317,251)	(166,535)
Receivable from FBNHoldings on transfer of subsidiaries	-	1,517,248	-	1,517,248
Impairment charge on financial assets (note 10)	(467,044)	(856,099)	(467,044)	(856,099)
Impairment charge on non-financial assets (note 15)	-	(28,000)	-	(28,000)
Closing balance (see note 27)	**7,401,557**	**7,347,197**	**7,401,557**	**7,347,197**
viii Due to Bank				
Opening balance	13,078,649	50,032,222	13,078,649	50,032,222
Movement during the year	29,435,978	(36,981,897)	29,435,978	(36,981,897)
Interest payable (See xv)	96,578	28,324	96,578	28,324
Closing balance (see note 33)	**42,611,205**	**13,078,649**	**42,611,205**	**13,078,649**
ix Due to customers				
Opening balance	351,496,546	217,626,347	351,496,546	219,068,654
Movement during the year	(112,676,897)	124,413,686	(112,676,897)	124,413,686
Recognised on disposal of subsidiaries	-	1,442,307	-	-
Interest payable (see xv)	3,510,521	8,014,206	3,510,521	8,014,206
Closing balance (see note 34)	**242,330,170**	**351,496,546**	**242,330,170**	**351,496,546**
x Other liabilities				
Balance as at January 1	52,412,688	24,795,998	52,412,688	18,638,158
Movement during the year	12,128,923	32,174,787	12,129,923	33,879,874
Derecognised on disposal of subsidiaries (see note 28c)	-	(4,452,753)	-	-
Impairment on off-balance sheet exposure (see note 10)	189,748	(105,344)	189,748	(105,344)
Closing balance (see note 36)	**64,731,359**	**52,412,688**	**64,732,359**	**52,412,688**
xi Gain on disposal of PPE				
Cost of PPE disposed (see note 29)	412,948	820,484	412,948	820,484
Accumulated depreciation of PPE disposed (see note 29)	(208,099)	(759,053)	(208,099)	(759,053)
	204,849	61,431	204,849	61,431
Gain on disposal of PPE	11,294	5,634	11,294	5,634
Proceeds	**216,143**	**67,065**	**216,143**	**67,065**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

		Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
xiii(a)	**Purchase of Investment securities**				
	a Investment securities (FVOCI)	(205,876,678)	(78,053,261)	(205,876,678)	(78,053,261)
	b Investment securities (Amortised cost)	(25,484,665)	(1,397,074)	(25,484,665)	(1,397,074)
	Cash outflow on acquisition of investment securities	**(231,361,343)**	**(79,450,335)**	**(231,361,343)**	**(79,450,335)**
xiii(b)	**Disposal/maturity of investment securities**				
	a Investment securities (FVOCI)	110,240,008	53,673,046	110,240,008	53,673,046
	b Investment securities (Amortised cost)	5,890,670	-	5,890,670	-
	Cash inflow on disposal/maturity of investment securities.	**116,130,678**	**53,673,046**	**116,130,678**	**53,673,046**
a	**Investment securities (FVOCI)**				
	Opening balance	93,341,381	65,465,326	93,341,381	62,677,050
	Acquisition of investment securities	205,876,678	78,053,261	205,876,678	78,053,261
	Derecognized on disposal of subsidiaries (see note 28c)	-	(2,788,276)	-	-
	Disposal/maturity of investment securities	(110,240,008)	(53,673,046)	(110,240,008)	(53,673,046)
	Interest receivable on investment securities at FVOCI (see xiv)	2,540,352	2,398,903	2,540,352	2,398,903
	Impairment (charge)/writeback (see note 10)	(353,930)	1,550,635	(353,930)	1,550,635
	Fair value movement (see note 41)	12,418,646	2,334,578	12,418,646	2,334,578
	Closing balance (see note 23)	**203,583,119**	**93,341,381**	**203,583,119**	**93,341,381**
b	**Investment securities (Amortised cost)**				
	Opening balance	1,503,781	1,589,137	1,503,781	-
	Derecognized on disposal of subsidiaries (see note 28c)	-	(1,589,137)	-	-
	Acquisition during the year	25,484,665	1,397,074	25,484,665	1,397,074
	Disposal/maturity of investment securities	(5,890,670)	-	(5,890,670)	-
	Interest receivable on Investment securities at amortised cost	1,383,473	142,028	1,383,473	142,028
	Impairment (charge)/writeback of amortised cost (see note 10)	(1,127)	(35,321)	(1,127)	(35,321)
	Closing balance (see note 24)	**22,480,122**	**1,503,781**	**22,480,122**	**1,503,781**
d	**Investment in subsidiaries**				
	Opening balance	-	-	1,000	1,518,248
	Receivable from FBNHoldings on transfer of subsidiaries	-	-	-	(1,518,248)
	Closing balance (see note 28)	**-**	**-**	**1,000**	**1,000**
xiv	**Interest received**				
	Total interest income (see note 8)	67,581,884	49,017,105	67,581,884	49,017,105
	Interest receivable on loans and advances to customers and staff	(1,759,409)	(3,081,311)	(1,759,409)	(3,081,311)
	Interest receivable on investment securities at amortised cost	(1,383,473)	(142,028)	(1,383,473)	(142,028)
	Interest receivable on investment securities at FVOCI	(2,540,352)	(2,398,903)	(2,540,352)	(2,398,903)
	Interest receivable on financial assets at FVTPL	(109,646)	(293,647)	(109,646)	(293,647)
	Interest income received	**61,789,004**	**43,101,216**	**61,789,004**	**43,101,216**
xv	**Interest paid**				
	Total interest expense (see note 9)	(48,011,333)	(38,101,547)	(48,011,333)	(38,101,547)
	Interest expense on borrowings (see xvi below)	515,546	1,459,084	515,546	1,459,084
	Interest payable on due to Banks	96,578	28,324	96,578	28,324
	Interest payable on due to other financial institutions	1,823,685	-	1,823,685	-
	Interest payable on deposits	3,510,521	8,014,206	3,510,521	8,014,206
	Interest expense paid	**(42,065,003)**	**(28,599,933)**	**(42,065,003)**	**(28,599,933)**

In thousands of Nigerian Naira

		Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
xvi	**Due to other financial institutions**				
	Opening balance	31,136,158	1,706,087	31,136,158	1,706,087
	Movement during the year	101,713,954	29,430,071	101,713,954	29,430,071
	Interest payable (See xv)	1,823,685	-	1,823,685	-
	Closing balance (See note 37)	**134,673,797**	**31,136,158**	**134,673,797**	**31,136,158**
xvi	**Borrowings**				
	Opening balance	8,022,453	(24,764,457)	8,022,453	(24,764,457)
	Repayment of borrowings	-	16,764,457	-	16,764,457
	Interest payable on borrowings	-	(22,453)	-	(22,453)
	Closing balance (See note	**8,022,453**	**(8,022,453)**	**8,022,453**	**8,022,453**
xvii	**Interest paid on borrowings**				
	Interest expense on borrowings (See Note 9)	(515,546)	(1,459,084)	(515,546)	(1,459,084)
	Interest payable on borrowings	22,353	22,453	22,353	22,453
	Interest paid on borrowings	**(493,193)**	**(1,436,631)**	**(493,193)**	**(1,436,631)**

42. Contingent liabilities and commitments

Litigation

In the ordinary course of business, the Bank was involved in three (3) legal proceedings as at 31 December 2025. One matter before the Supreme Court arises from a September 2020 Court of Appeal judgment which upheld the Bank's counterclaim of ₦1.86 billion. The Bank is also defending two employment-related claim seeking payment of salaries, allowances, damages and costs, and another action at the Federal High Court, Lagos, where the claimant seeks recovery of US$825,000, US$200,000, N20 million in damages, interest and ₦50 million as costs.

Based on advice from the Bank's legal advisers, the Directors believe that these proceedings will not have a material adverse effect on the Bank's financial position, and accordingly no contingent liability has been recognised (2024:Nil).

In common with other Banks, the Group conducts business involving transaction-related bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments typically comprise guarantees and letters of credit.

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Performance bonds and guarantees	21,522,086	27,722,832	21,522,086	27,722,832
Letters of credit	28,890,071	27,579,875	28,890,071	27,579,875
	50,412,157	**55,302,707**	**50,412,157**	**55,302,707**

Capital Commitments

At the end of the year, the Group and Bank had no capital commitments (31 December 2024: NIL)

In thousands of Nigerian Naira

43. Group subsidiaries and related party transactions

43.1 Ultimate Parent Company:

During the year, the Bank's ultimate parent company changed following the transfer of ownership from First HoldCo Plc to Everquest Acquisition Limited on 28 November 2025. As a result, Custodian Investment Plc became the new ultimate controlling party, through Everquest Acquisition Limited, a limited liability partnership, and has been identified as the related party for the purpose of these consolidated and separate financial statements from that date.

Other related parties transactions with the previous parent company:

Up to the date of the ownership transfer, the Bank was under the control of First HoldCo Plc. Consequently, all subsidiaries, associates and entities under common control of the former parent company were considered related parties of the Bank until the effective date of the change in ownership.

After the ownership change, these entities no longer meet the definition of related parties to the Bank under the relevant accounting standard.

Subsidiary
FBNQuest MB SPV Funding PLC

The Bank incorporated FBNQuest Funding SPV on 28th March 2018 to form the FBNQuest Merchant Bank Group ("the Group"). FBNQ MB Funding SPV Plc, was established for the sole purpose of issuing bonds or debt instruments to fund the Bank's working capital, enhance liquidity and capital base. The SPV is 100% owned by the Bank and has been consolidated in these consolidated and separate financial statements.

43.2 Insider-related credit

The Bank granted credit facilities in form of loans to key management personnel. The details are as shown below:

	Key management personnel	
	31 December 2025	**31 December 2024**
Loans and advances to staff		
Key management personnel	552,542	375,819
	552,542	**375,819**

The loans issued to key management personnel during the year are repayable monthly over a period of between 2 to 20 years and have interest rates of 5% (2024: 5%).

43.3 Deposits from related parties

	31 December 2025		31 December 2024	
	Entities controlled by the parent (N'000)	**Key management personnel (N'000)**	**Entities controlled by the parent (N'000)**	**Key management personnel (N'000)**
Deposit from customers	1,033,941	4,473	468,734	13,147
Due to other financial institutions	27,462,871	-	-	-
Due to Banks	-	-	13,417,081	-
Deposits at 31 December	**28,496,812**	**4,473**	**13,885,815**	**13,147**

In thousands of Nigerian Naira

43.4 Other transactions and balances with related parties

	Relationship	Nature of transaction	31 December 2025	31 December 2024
FBNQuest Capital Group	Controlled by previous Parent	Interest expense	-	155,814
FBNQuest Capital Group	Controlled by previous Parent	Interest expense	-	12,929
FBNQuest Securities	Controlled by previous Parent	Interest expense	-	299,597
FBNQuest Trustees	Controlled by previous Parent	Interest expense	-	181,406
First HoldCo Plc	Previous Parent	Interest expense	-	2,047,449
CrusaderSterlings Pensions	Controlled by Parent	Interest expense	1,413,345	-
Custodian And Allied Insurance Limited	Controlled by Parent	Interest expense	96,389	-
Custodian Life Assurance Ltd.	Controlled by Parent	Interest expense	13,151	-
Aion Investments Limited	Controlled by Parent	Interest expense	166,405	-
Interest expense			**1,689,290**	**2,697,195**

FBNQuest Securities	Controlled by previous Parent	Deposit liabilities	-	409,845
FBNQuest Capital Group	Controlled by previous Parent	Deposit liabilities	-	54,423
FBNQuest Trustees	Controlled by previous Parent	Deposit liabilities	-	4,466
First HoldCo Plc	Previous Parent	Deposit liabilities	-	13,417,081
United Property Development Company Plc	Controlled by Parent	Deposit liabilities	297	-
Custodian And Allied Insurance Limited	Controlled by Parent	Deposit liabilities	1,000,266	-
Custodian Life Assurance Ltd	Controlled by Parent	Deposit liabilities	2,409	-
Aion Investments Limited	Controlled by Parent	Deposit liabilities	30,969	-
Deposit liabilities			**1,033,941**	**13,885,815**

CrusaderSterlings Pensions	Controlled by Parent	Due to other financial institutions	27,462,871	-
Due to other financial institutions			**27,462,871**	**-**

FBNQuest Trustees	Controlled by previous Parent	Due to related parties	-	2,117
Due to related parties			**-**	**2,117**

FBNQuest Capital Group	Controlled by previous Parent	Due from related parties	-	111,662
FBNQuest Asset Management	Controlled by previous Parent	Due from related parties	-	86,907
FBNQuest Securities	Controlled by previous Parent	Due from related parties	-	29,994
FBNQuest Trustees	Controlled by previous Parent	Due from related parties	-	314,466
FBNQuest Funds	Previous Parent	Due from related parties	-	96,989
First HoldCo Plc		Due from related parties	-	1,517,248
Due from related parties			**-**	**2,157,266**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In thousands of Nigerian Naira

43.5 Key management compensation

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Salaries and other short-term employee benefits	866,126	471,250	866,126	471,250
Defined contribution costs	40,408	26,271	40,408	26,271
	906,534	**497,521**	**906,534**	**497,521**

The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control.
The key management personnel have been identified as the executive and non-executive directors of the Bank and the senior management.
Close members of family are those family members who may be expected to influence, or be influenced by those individuals in their dealings wit Quest Merchant Bank Limited.

44 Employees

The number of persons employed by the Bank as at end of the year is as follows:

		Group and Bank (31 December 2025)			
	Total No.	Male	Female	Male	Female
		Number		Percentage	
Employees	113	70	43	62%	38%

		Group and Bank (31 December 2024)			
	Total No.	Male	Female	Male	Female
		Number		Percentage	
Employees	109	72	37	66%	34%

		Group and Bank (31 December 2025)			
Gender Analysis of Board & Management	Total No.	Male	Female	Male	Female
		Number		Percentage	
Board	8	6	2	75%	25%
Top Management (AGM to GM)	12	6	6	50%	50%
Total	**20**	**12**	**8**	**60%**	**40%**

		Group and Bank (31 December 2024)			
Gender Analysis of Board & Management 2025	Total No.	Male	Female	Male	Female
		Number		Percentage	
Board	5	3	2	60%	40%
Top Management (AGM to GM)	11	7	4	64%	36%
Total	**16**	**10**	**6**	**63%**	**38%**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

		Group and Bank (31 December 2025)			
Gender Analysis of Board & Management 2025	**Total No.**	**Male**	**Female**	**Male**	**Female**
		Number		**Percentage**	
Assistant General Manager	6	4	2	67%	33%
Deputy General Manager	6	2	4	33%	67%
Managing Director	1	1	0	100%	0%
Non-Executive Directors	7	5	2	71%	29%
Total	**20**	**12**	**8**	**60%**	**40%**

		Group and Bank (31 December 2025)			
Gender Analysis of Board & Management 2024	**Total No.**	**Male**	**Female**	**Male**	**Female**
		Number		**Percentage**	
Assistant General Manager	8	5	3	63%	38%
Deputy General Manager	3	2	1	67%	33%
Managing Director	1	1	0	100%	0%
Non-Executive Directors	4	2	2	50%	50%
Total	**16**	**10**	**6**	**62%**	**38%**

Compensation for the above staff excluding executive management:

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Wages and salaries	5,032,090	5,109,596	5,032,090	5,109,596
Other pension costs	118,970	134,016	118,970	134,016
	5,151,060	**5,243,612**	**5,151,060**	**5,243,612**

The number of employees of the Bank, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	Number		Number	
	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
N2,500,001 - N3,500,000	4	-	4	-
N3,500,001 - N5,500,000	3	-	3	-
N5,500,001 - N10,500,000	6	19	6	19
N10,500,001 and above	99	89	99	89
	112	**108**	**112**	**108**

In accordance with the provisions of the Pensions Reform Act 2014, the Bank commenced a contributory pension scheme in January 2005. In this regard, the Bank contributes 10% of the employees' basic salary, housing and transport allowances while the employees contribute 8%. The contribution paid by the Bank during the year was N159.4 million (2024: N152.1 million). See note 16.

45 Directors' emoluments

Remuneration paid to the Group and Bank's directors was:

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Fees and sitting allowances	263,850	315,852	263,850	315,852
Other director expenses	115,103	226,913	115,103	226,913
	378,953	**542,765**	**378,953**	**542,765**

Fees and other emoluments disclosed above include amounts paid to:

Chairman	59,800	62,800	59,800	62,800
Highest paid non-executive director	59,800	62,800	59,800	62,800

The number of Directors, other than the Chairman, who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Number			
	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
N5,000,001 and above	4	4	4	4
	4	**4**	**4**	**4**

46 Compliance with regulatory bodies

The Bank contravened regulatory requirements and policies in the financial year ended 31 December 2025 and paid the following

	Contraventions	**2025**	**2024**
		N'000	**N'000**
1	CBN: Contravention of sections 2.2 and 2.3 of the CBN Risk Based Cybersecurity Framework and Guidelines 2018 on conduct of periodic post-employment background checks on staff of Information Technology and Information Security	-	2,000
2	CBN: Failure to implement 6 out of 21 recommendations made in the Management Letter of 2022 Audited Financial Statements	-	2,000
3	CBN: Contravention of the concerted intraday liquidity facility (ILF) on the CBN Bond Trading	240,000	-
4	Contravention of regulation 12 & 13 of the CBN Customer Due Dilligence Regulations, 2023	76,000	-
5	Failure to effect internal auditors' correction on the wrongly classified high risk customer as low	75,000	-
6	National Environmental Standard and Regulation Enforcement Agency (NESREA): Failure to pay the triennial environmental fee on time	5,000	-
7	SEC: Failure to submit the allotment proposal and timely post-allotment report for the FBN Infrastructure Fund (Series 1)	1,500	-
		397,500	**4,000**

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The N240 million contravention relates to trading activities carried out on behalf of a counterparty and has subsequently been recovered in full.

47 Subsequent events

Subsequent to the reporting date, following the completion of the transfer of ownership from First HoldCo Plc to EverQuest Acquisition LLP, the Bank obtained all necessary regulatory and corporate approvals and completed the change of its name from FBNQuest Merchant Bank Limited to Quest Merchant Bank Limited.

The Bank also received additional capital contributions towards meeting its recapitalization requirements, which have been recognised as deposits for shares pending completion of the regulatory approval process. Following the reporting date, the Central Bank of Nigeria (CBN) granted approval for the Bank's recapitalisation, and the issuance of the corresponding share capital is currently being finalised.

Except for the matter described above, there have been no other subsequent events between the reporting date and the date of approval of these consolidated and separate financial statements that would require adjustment to, or disclosure in, these financial statements.

48 Dividend

	Group 31 December 2025	Group 31 December 2024	Bank 31 December 2025	Bank 31 December 2024
Opening	-	1,006,076	-	1,006,076
2024 dividend declared	7,654,634	-	7,654,634	-
Dividend Paid	(7,654,634)	(1,006,076)	(7,654,634)	(1,006,076)
Closing payable	**-**	**-**	**-**	**-**

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 (2) of the Companies and Allied Matters Act (CAMA) 2020 of Nigeria, in 2025 the paid dividend of N7.655 billion (2024: N1.01billion) for the period ended 31 December 2024. The Board of Directors has proposed an interim dividend of N5.194 billion for the nine months period ended 30 September 2025 and a final dividend of N3.595 billion for the year ended 31 December 2025 (31 December 2024: final dividend of N7.655 billion).

OTHER INFORMATION - STATEMENT OF PRUDENTIAL ADJUSTMENTS

STATEMENT OF PRUDENTIAL ADJUSTMENTS

	31 December 2025 N '000	31 December 2024 N '000
Prudential guidelines provision:		
As at 1 January		
- Loans and advances (specific and general provisions)	4,792,678	3,158,977
- Other known losses (OKL)	2,744,185	2,411,355
	7,536,863	**5,570,332**
Charge/(write-back) for the period:		
- Loans and advances (specific and general provisions)	2,207,322	1,633,701
- Other known losses (OKL)	2,999,025	332,830
	5,206,347	**1,966,531**
As at 31 December		
- Loans and advances (specific and general provisions)	7,000,000	4,792,678
- Other known losses (OKL)	5,743,210	2,744,185
	12,743,210	**7,536,863**
IFRS impairment allowance:		
- Allowance for impairment (loans and contingents) (see note 26 and note 36)	5,155,523	2,397,685
- Other impairment (Other assets and subsidiaries) (see note 27)	4,910,882	2,992,324
	10,066,405	**5,390,009**
Required regulatory risk reserve at end of the year	**2,676,805**	**2,146,854**
Balance at beginning of the year	2,146,854	1,958,934
Addition/(Reversal) to regulatory risk reserve	529,951	187,920
Balance at end of the year	**2,676,805**	**2,146,854**

Regulatory risk reserves*: Provisioning is made in accordance with the Prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria for each account that is deemed not performing (specific) in accordance with the following terms; (1) 90 days but less than 180 days (10%); (2) 180 days but less than 360 days (50%) and over 360 days (100%). In addition, a minimum of 2% general provision is made on all risk assets which are deemed performing and have not been specifically provided for. The excess of the impairment under the Prudential Guidelines over the impairment under IFRS has been designated to a non-distributable reserve in line with the regulatory requirements of the Central Bank of Nigeria.

OTHER National Disclosure

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
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STATEMENT OF VALUE ADDED

Groups	31-Dec-2025 N '000	%	31-Dec-2024 N '000	%
Gross earnings	81,495,227	356	63,074,624	327
Interest expense	(48,011,333)	(210)	(38,101,547)	(198)
	33,483,894		**24,973,077**	
Impairment writeback/(charge) on financial assets	(3,579,370)	(16)	345,191	2
	29,904,524		**25,318,268**	
Bought in materials and services	(7,019,066)	(31)	(6,028,381)	(31)
Value added	**22,885,459**	**100**	**19,289,887**	**100**
Distribution of value added				
To government:				
Taxes	4,189,120	18	1,533,182	8
To employees:				
Salaries and benefits	6,057,594	26	5,502,933	29
The future:				
For replacement of fixed assets/intangible assets				
Depreciation & amortisation	919,373	4	889,343	5
To augment reserve	11,719,372	51	11,364,429	59
	22,885,459	**100**	**19,289,887**	**100**

This statement shows the distribution of wealth created by the Group during the year.

Banks	31-Dec-2025 N '000	%	31-Dec-2024 N '000	%
Gross earnings	81,495,227	356	63,074,624	327
Interest expense	(48,011,333)	(210)	(38,101,547)	(198)
	33,483,894		**24,973,077**	
Impairment writeback/(charge) on financial assets	(3,579,370)	(16)	345,191	2
	29,904,524		**25,318,268**	
Bought in materials and services	(7,019,066)	(31)	(6,028,381)	(31)
Value added	**22,885,459**	**100**	**19,289,887**	**100**
Distribution of value added				
To government:				
Taxes	4,189,120	18	1,533,182	8
To employees:				
Salaries and benefits	6,057,594	26	5,502,933	29
The future:				
For replacement of fixed assets/intangible assets				
Depreciation & amortisation	919,373	4	889,343	5
To augment reserve	11,719,372	51	11,364,429	59
	22,885,459	**100**	**19,289,887**	**100**

This statement shows the distribution of wealth created by the Bank during the year.

QUEST MERCHANT BANK LIMITED
(Formerly known as FBNQuest Merchant Bank Limited)
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FIVE-YEAR FINANCIAL SUMMARY

Groups	31 Dec 2025 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Statement of financial position					
ASSETS					
Cash and balances with Central Bank of Nigeria	20,768,561	29,007,013	73,953,341	59,278,402	38,118,584
Loans and advances to Banks	114,796,664	190,770,274	45,577,090	57,578,008	14,905,839
Loans and advances to Customers	131,648,734	124,393,540	105,978,501	106,451,558	76,689,597
Financial assets - Fair value through profit or loss	9,456,783	34,593,944	7,527,010	2,989,826	6,154,032
Investment securities:					
- Fair value through OCI	203,583,119	93,341,381	65,465,326	27,786,257	43,601,118
- Amortised cost	22,480,122	1,503,781	1,589,137	1,595,551	-
Pledged assets	28,854,623	7,725,993	40,600,000	24,048,685	12,593,933
Derivative financial assets	-	-	-	197,969	361,693
Other assets	7,401,557	7,347,197	9,066,346	9,821,901	5,355,112
Deposit with Nigerian Exchange Group	-	-	-	-	-
Property and equipment	5,684,318	2,899,774	3,114,924	2,501,635	1,539,216
Intangible assets	107,554	153,974	164,609	375,326	337,833
Right of use assets	-	-	-	21,778	50,763
Deferred tax assets	6,138,300	9,113,548	9,455,145	9,313,861	9,362,532
TOTAL ASSETS	**550,920,335**	**500,850,419**	**362,491,429**	**301,960,757**	**209,070,252**
LIABILITIES					
Due to Banks	42,611,205	13,078,649	50,032,222	43,579,818	9,837,048
Due to Customers	242,330,170	351,496,546	217,626,347	133,365,930	119,432,839
Current income tax liability	1,422,339	1,678,740	2,791,474	1,415,586	922,057
Corporate bonds issued	8,022,353	8,022,453	24,764,457	47,552,044	13,233,425
Other liabilities	64,731,359	52,411,688	24,795,998	37,090,570	28,496,201
Due to other financial Institution	134,673,797	31,136,158	-	-	-
Lease liabilities	-	-	-	22,658	35,968
Derivative financial instrument	-	-	-	192,296	354,877
Deferred tax liability	-	-	821,290	-	-
TOTAL LIABILITIES	**493,791,222**	**457,824,234**	**320,831,788**	**263,218,902**	**172,312,415**
NET ASSETS	**57,129,113**	**43,026,185**	**41,659,641**	**38,741,855**	**36,757,837**
EQUITY AND RESERVES					
Share capital	4,301,577	4,301,577	4,301,577	4,301,577	4,301,577
Share premium	3,904,731	3,904,731	3,904,731	3,904,731	3,904,731
Retained earnings	27,063,850	25,475,189	24,493,680	18,331,164	16,028,094
Statutory reserve	13,103,360	11,345,154	9,640,489	9,128,791	8,708,744
Regulatory risk reserve	2,676,805	1,958,934	1,958,934	2,434,151	2,648,901
Fair value reserve	6,078,790	(3,959,400)	(2,666,368)	614,843	1,139,192
General reserve	-	-	26,598	26,598	26,598
SHAREHOLDERS' FUNDS	**57,129,113**	**43,026,185**	**41,659,641**	**38,741,855**	**36,757,837**

	31 Dec 2025 N'000	31 Dec 2024 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Income statement					
Operating income	29,904,524	25,318,268	23,625,806	16,626,639	14,032,238
Operating expenses	(13,996,033)	(12,420,657)	(12,907,615)	(11,414,159)	(11,551,865)
Profit before tax	**15,908,492**	**12,897,611**	**10,718,191**	**5,212,480**	**2,480,373**
Tax	(4,189,120)	(1,533,182)	(3,513,118)	(1,327,727)	(921,461)
Profit after tax	**11,719,372**	**11,364,429**	**7,205,073**	**3,884,753**	**1,558,912**
Earnings per share - basic (kobo)	272	264	167	90	36

QUEST MERCHANT BANK LIMITED
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FIVE-YEAR FINANCIAL SUMMARY

Bank	**31 Dec 2025 N'000**	**31 Dec 2024 N'000**	**31 Dec 2023 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Statement of financial position					
ASSETS					
Cash and balances with Central Bank of Nigeria	20,768,561	29,007,013	73,953,341	59,278,402	38,118,584
Loans and advances to Banks	114,796,664	190,770,274	36,554,864	51,267,315	12,006,567
Loans and advances to Customers	131,648,734	124,393,540	105,801,493	106,314,872	76,589,248
Financial assets - Fair value through profit or loss	9,456,783	34,593,944	4,327,012	2,171,362	4,788,062
Investment securities:					
- Fair value through OCI	203,583,119	93,341,381	62,677,050	26,060,515	41,810,273
- Amortised cost	22,480,122	1,503,781	-	1,253,377	-
Pledged assets	28,854,623	7,725,993	40,600,000	24,048,685	12,593,933
Derivative financial assets	-	-	-	197,969	361,693
Other assets	7,401,557	7,347,197	9,066,346	8,342,968	4,361,595
Investment in subsidiaries	1,000	1,000	1,518,248	1,321,958	1,216,129
Property and equipment	5,684,318	2,899,774	2,985,618	2,378,312	1,429,522
Intangible assets	107,554	153,974	92,436	132,219	122,107
Right of use assets	-	-	-	21,778	50,763
Deferred tax assets	6,138,300	9,113,548	9,113,548	9,113,548	9,113,548
TOTAL ASSETS	**550,921,335**	**500,851,419**	**347,528,580**	**291,903,280**	**202,562,025**
LIABILITIES					
Due to Banks	42,611,205	13,078,649	50,032,222	43,579,818	9,837,048
Due to Customers	242,330,170	351,496,546	219,068,654	132,506,325	119,777,398
Current income tax liability	1,422,339	1,678,740	560,366	236,910	77,379
Corporate bonds issued	8,022,353	8,022,453	24,764,457	47,552,044	13,233,425
Other liabilities	64,732,359	52,411,688	20,344,245	34,023,371	26,475,958
Due to other financial Institution	134,673,797	31,136,158	-	-	-
Lease liabilities	-	-	-	22,658	35,968
Derivative financial instrument	-	-	-	192,296	354,877
TOTAL LIABILITIES	**493,792,222**	**457,824,234**	**314,769,944**	**258,113,422**	**169,792,053**
NET ASSETS	**57,129,113**	**43,026,185**	**32,758,636**	**33,789,858**	**32,769,972**
EQUITY AND RESERVES					
Share capital	4,301,577	4,301,577	4,301,577	4,301,577	4,301,577
Share premium	3,904,731	3,904,731	3,904,731	3,904,731	3,904,731
Retained earnings	27,063,850	25,475,189	15,815,424	13,446,659	12,228,029
Statutory reserve	13,103,360	11,345,154	9,640,489	9,128,791	8,708,745
Regulatory risk reserve	2,676,805	1,958,934	1,958,934	2,434,151	2,648,901
Fair value reserve	6,078,790	(3,959,400)	(2,862,519)	573,949	977,989
SHAREHOLDERS' FUNDS	**57,129,113**	**43,026,185**	**32,758,636**	**33,789,858**	**32,769,972**

	31 Dec 2025 N'000	**31 Dec 2024 N'000**	**31 Dec 2023 N'000**	**31 Dec 2022 N'000**	**31 Dec 2021 N'000**
Income statement					
Operating income	29,904,524	25,318,268	11,198,478	9,729,864	8,505,872
Operating expenses	(13,996,033)	(12,420,657)	(7,108,931)	(6,722,529)	(7,776,797)
Profit before tax	**15,908,492**	**12,897,611**	**4,089,547**	**3,007,335**	**729,075**
Tax	(4,189,120)	(1,533,182)	(678,224)	(207,023)	(77,379)
Profit after tax	**11,719,372**	**11,364,429**	**3,411,323**	**2,800,312**	**651,696**
Earnings per share - basic (kobo)	272	264	79	65	15

Contact Information

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