



Mortgage Bankers  
RC: 31732

# 2025

**ANNUAL REPORT  
& FINANCIAL  
STATEMENTS**

Dream Shelter..Think LBIC

## **Our vision**

To be the leading provider of affordable home ownership solutions.

## **Our mission**

Delivering innovative home ownership solutions through a happy workforce.

## **Our shared values**

- Delivering on our promises
- Customer Delight
- Positive Attitude
- Freedom to succeed
- Empathy.

## Our Identity/ Principal Activity

Lagos Building Investment Company Plc ('LBIC' or the 'Bank') is a licensed State Primary Mortgage Bank with a customer base of over 170,000 corporates and individuals alike. LBIC is a foremost player in the affordable housing initiative of the Lagos State Government. The Principal activity of the bank remains the provision of mortgage finance facilities to prospective home owners.

The Bank also provides retail banking facilities with a wide range of product and services (savings and loans) within the Central Bank of Nigeria (CBN) Regulatory framework, designed to meet its customers' specific needs.

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# Introduction

Lagos Building Investment Company Plc's Financial Statements complies with the applicable legal requirements of the Companies and Allied Matters Act 2020 and the Investment and Securities Act 2007 regarding the Annual Financial Statements for the year ended December 31, 2025. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), adopted, and approved by the Financial Reporting Council of Nigeria.

To make for better understanding, certain disclosures and some prior year's figures have been presented in line with current year figures. Furthermore, due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

# CORPORATE INFORMATION

## Directors

Mr. Hakeem Ogunniran	Chairman
Mr. Olusola Faleye	Managing Director
Mr. Afolabi Omilabu	Executive Director
Mr. Layiwola Okoya	Executive Director
Mr. Femi Adewole	Independent Non-Executive Director
Mr. Tunde Owolabi	Independent Non-Executive Director
Mrs. Bolanle Banjo	Non-Executive Director
Mr. Adewale Okesola	Non-Executive Director

## Management Team

Mr. Olusola Faleye	Managing Director
Mr. Afolabi Omilabu	Executive Director, Finance and Operations
Mr. Layiwola Okoya	Executive Director, Business Development and IT
Mr. Wasiu Adeyemi	Financial Controller
Dr. Tunde Jinadu	Head, Business Development
Mr. Babatunde Olugbile	Head, Outsourcing
Ms. Oladunni Ogunsulire	Company Secretary

**Registered Corporation Number:** 31732

**Registered Office Address:** Plot 1, ASSBIFI Road Central Business District, Alausa, Ikeja, Lagos State.  
09080000721  
www.lbicplc.com

**Company Secretary** Oladunni Ogunsulire  
FRC/2019/PRO/ICSAN/002/00000019429  
Plot 1, ASSBIFI Road Central Business District, Alausa, Ikeja, Lagos State.

**CBN License Number:** 000005

**CBN Approval Date:** July 1, 1991

**Tax Identification Number:** 00217217-0001

**REGISTRARS ADDRESS** Africa Prudential Plc.  
220, Ikorodu Road, Palmgrove, Lagos State.



Mortgage Bankers  
RC 0132

### Principal Bankers

Access Bank PLC	183, Obafemi Awolowo Road, Alausa, Ikeja, Lagos State.
Keystone Bank Limited	25, Kudirat Abiola Way, Oregun, Lagos State.
Guaranty Trust Bank Limited	14, Opebi Road, Ikeja, Lagos State.
First City Monument Bank PLC	M1 Point Motorways Complex, Ikeja, Lagos State.
United Bank for Africa PLC	Oluwalogbon House, Alausa, Ikeja, Lagos State.
Ecobank Nigeria Limited	Good Shepherd House, IPM Avenue, Ikeja, Lagos State.
Polaris Bank Limited	Epe LGA Secretariat, Epe, Lagos State.

### Independent Auditors

#### **Gbenga Badejo & Co.,**

(Chartered Accountants),

A Correspondent Firm of Reanda International

Plot 8A, Ajumobi Olorunjoje Street, Off Acme Road, By First Bank,  
Agidingbi, Ikeja, Lagos State.

Tel: 0809 622 7865, 0916 901 9711

Email: [info@gbc-consult.com](mailto:info@gbc-consult.com)

Web: [www.gbc-consult.com](http://www.gbc-consult.com)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 21st Annual General Meeting (“AGM”) of Lagos Building Investment Company Plc (“The Company”) will hold on **Tuesday 5 May 2026** at the Conference Hall of the Lagos Building Investment Company Plc., Plot 1, ASSBIFI Road, Central Business District, Alausa, Ikeja, Lagos at 11.00am to transact the following business:

## A. ORDINARY BUSINESS:

1. To present the Audited Financial Statements of the Company for the Financial Year ended 31st December 2025, the Report of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend
3. To re-elect Directors
4. To reappoint Gbenga Badejo & Co as External Auditors and authorize the Directors to fix the remuneration of the External Auditors
5. To disclose the remuneration of the Managers of the Company; and
6. To elect members of the Statutory Audit Committee.

## B. SPECIAL BUSINESS:

### Ordinary Resolution

To consider and, if thought fit, pass the following as Ordinary Resolutions:

- a. To fix the remuneration of the Non – Executive Directors.
- b. To increase the issued share capital of the Company from ~~₦3,882,047,223~~ divided into 3,882,047,223 ordinary shares of ~~₦1.00~~ each to ~~₦4,399,653,519.00~~ divided into 4,399,653,519 ordinary shares of ~~₦1.00~~ each by the creation of 517,606,296 additional ordinary shares of ~~₦1.00~~ each ranking Pari passu with existing ordinary shares
- c. To capitalise the sum of ~~₦517,606,296~~ standing to the credit of the Company’s reserves and apply same in paying up in full 517,606,296 ordinary shares of ~~₦1.00~~ each, to be issued as bonus shares to shareholders whose names appear on the register of members as at 31 December 2025 in the proportion of two (2) new shares for every fifteen (15) ordinary shares held.

### Special Resolutions

To consider and, if thought fit, pass the following resolution as Special Resolutions:

- d. “That the Company be authorized to hold General Meetings (including Annual General Meetings and Extraordinary General Meetings) by electronic means, whether fully virtual or hybrid, in compliance with applicable laws, and that the Articles of Association be amended accordingly.”
- e. “That Clause 6 of the Company’s Memorandum of Association be and is hereby amended to reflect the new minimum share capital of ~~₦4,399,653,519.00~~ divided into 4,399,653,519 ordinary shares of ~~₦1.00~~.”

**Dated this 2nd day of March, 2026**

**By Order of the Board**

**Oladunni Ogunsulire, FCIS**

*Company Secretary*

FRC/2019/ICSAN/00000019429

## NOTES:

### 1. PROXY

A member of the Company eligible to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his/her stead. A proxy needs not be a member of the Company. All instruments of proxy must be completed, stamped by the Commissioner for Stamp Duties, and deposited at the office of the Registrar, Africa Prudential Plc., 220B, Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the time fixed for the meeting. A corporate body being a member of the Company is required to execute a proxy under seal.

### 2. DIVIDEND PAYMENT

If the dividend recommended by the Directors is approved, dividend will be paid electronically to all shareholders whose names appear in the Company's Register of Members as at the close of business on 21st April 2026 and who have completed the e-dividend registration and have mandated the Registrars to pay dividend directly into their bank accounts.

Shareholders are kindly requested to update their records and advise Africa Prudential Plc of their updated records and account details for the payment of dividend.

### 3. NOMINATION TO THE AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies & Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Security and Exchange Commission's Code of Corporate Governance for Public Companies stipulates that members of the Audit Committee must have basic financial literacy and at least one member of the committee should be knowledgeable in accounting or financial management. Thus, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination.

### 4. CLOSURE OF REGISTER

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from 27 April 2026 to 30 April 2026 (both dates inclusive) to enable the Registrars prepare an up-to-date Register of Shareholders for the meeting.

### 5. ELECTRONIC ANNUAL REPORT

The electronic version of the Annual Report will be made available online for members and the general public to view and download from our website [www.lbicplc.com](http://www.lbicplc.com). Shareholders who have also provided their email addresses will receive the electronic version of the Annual Report via email.

### 6. DECLARATION OF SHAREHOLDERS' RIGHT

Shareholders have the right to make relevant enquiries in connection with investment or the status of the company in general. Shareholders have the right to make their enquiries during the Annual General Meeting. Shareholders may also send their written enquiry via the Company Secretariat at least five (5) business days before the date of the Annual General Meeting.

## **7. RE-ELECTION OF DIRECTORS**

In accordance with S285(1) and (2) of the Companies and Allied Matters Act 2020, Messrs Tunde Owolabi, Mr. Adewale Okesola and Mrs. Bolanle Banjo will retire by rotation and being eligible, will be offering themselves for re-election. Their profiles and details of attendance of Board and Committee meetings are contained in the Corporate Governance Report and Report of Directors.

## **8. WEBSITE**

A copy of this Notice and other information relating to the meeting can be found at [www.lbicplc.com](http://www.lbicplc.com).

# FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER, 2025

Statement of Profit or Loss and Other Comprehensive	2025 ₦000	2024 ₦000	% Change
<b>Income Items:</b>			
Gross Earnings	3,565,156	2,537,099	41
Net Interest Income	2,231,755	1,415,784	58
Total Expenses	1,590,335	1,177,631	35
Profit Before Income Tax Expenses	1,655,957	1,160,742	43
Income Tax Expense	604,705	372,160	62
Profit After Income Tax Expenses	1,051,252	788,582	33
<b>Statement of Financial Position items</b>	<b>2025 ₦000</b>	<b>2024 ₦000</b>	<b>% Change</b>
Cash and Cash equivalents	15,924,990	13,747,658	16
Property Plant and Equipment	2,063,704	1,718,956	20
Total Assets	20,613,554	17,222,223	20
Mortgage Loan and Advances to Customers	2,072,278	793,843	161
Deposit from Customers	13,313,633	11,336,371	17
Total Liabilities	15,182,162	12,346,718	23
Ordinary Share Capital	3,882,047	3,882,047	0
Retained Earnings	406,571	593,830	(32)
Shareholders' Fund	5,431,392	4,875,505	11
<b>Ratios:</b>		<b>%</b>	
Interest Paid to Interest Received	12.01	12.09	(1)
Interest Income to Gross Earnings	71.14	63.48	12
Administrative Expenses to Gross Earnings	44.66	46.45	(4)
Net Profit Margin	29.49	31.08	(5)
Return on Shareholders' Fund	19.36	16.17	20
Loan to Deposit Ratio	15.57	7.00	122
<b>Information Per Ordinary Share</b>			
Earnings (Kobo)	27.08	20.31	33
Net Assets (Naira)	1.40	1.26	11
<b>Average Number of Employees</b>			
Managerial staff	6	6	-
Other Staff	36	31	16
	42	37	

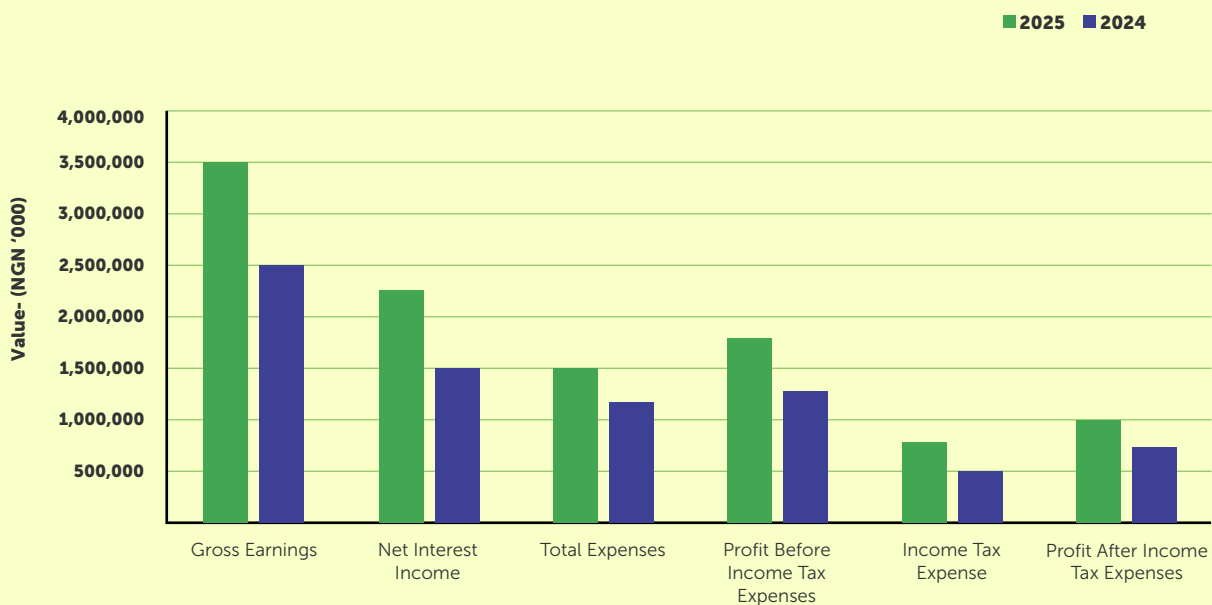
## FINANCIAL HIGHLIGHTS (Contd.)

CBN's Prudential Guideline Ratios	2025			2024		
	Actual	Prescribed	Remarks	Actual	Prescribed	Remarks
Capital Adequacy (Minimum)	37%	10%	Adequate	38%	10%	Adequate
Assets Quality -Mortgage Asset to Total Asset ratio (Minimum)	10%	50%	Needs improvement	5%	50%	Needs improvement
Assets Quality -Mortgage Asset to Loanable Fund ratio (Minimum)	20%	60%	Needs improvement	9%	60%	Needs improvement
Earnings Quality (Minimum)	71%	80%	Needs improvement	63%	80%	Needs improvement
Maximum Equity Investment Holding Ratio	5%	10%	Adequate	5%	>5%<10%	Adequate
Liquidity Ratio (Minimum)	120%	20%	Adequate	121%	20%	Adequate
Cash Reserve Ratio (Minimum)	3%	2%	Adequate	2%	2%	Adequate

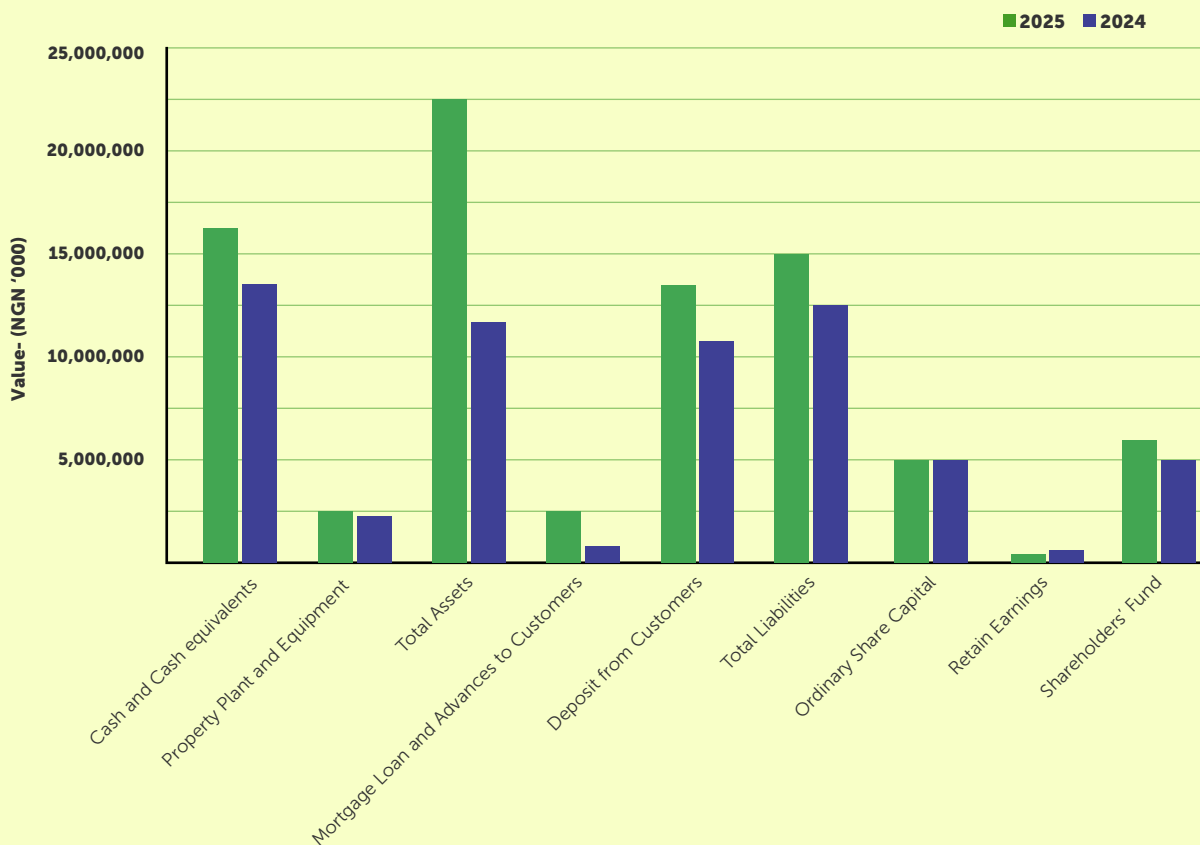
# FINANCIAL HIGHLIGHTS - GRAPHICAL REPRESENTATION

FOR THE YEAR ENDED 31 DECEMBER, 2025

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



## STATEMENT OF FINANCIAL POSITIONS ITEMS





Mortgage Bankers  
RC: 31732

# YOUR REVENUE PAYMENT MADE EASY

## PAYMENT STEPS

- **Step 1:** Visit the website <https://www.lbicplc.com> and click on the portal link  
**Alternatively** go straight to <https://revenue.lbicplc.com/>
- **Step 2:** Enter your Bill ID on the portal page.
- **Step 3:** Fill in payment details, including your email, phone number, and amount to be paid.
- **Step 4:** Confirm payment details and proceed to payment.
- **Step 5:** Pay securely online using bank transfer or debit card.
- **Step 6:** Wait for payment confirmation and download your receipt.



GET STARTED NOW

Call **+234 916 434 6568** or visit **[www.lbicplc.com](http://www.lbicplc.com)**

**CBD Branch:** Plot 1, ASSBIFI Road Central Business District, Alausa, Ikeja, Lagos State.



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# Buy home appliances and **pay later** using our Home Improvement Loan



## Product Features:

- 1 Get up to 5 million naira
- 2 Flexible repayment
- 3 Minimum down payment of 30%
- 4 Tenor: 18 months

**APPLY NOW**

Call **+234 916 434 6568**  
or visit **[www.lbicplc.com](http://www.lbicplc.com)**

**CBD Branch:** Plot 1, ASSBIFI Road Central Business  
District, Alausa, Ikeja, Lagos State.

T&C Applies

# CHAIRMAN'S STATEMENT



**Mr. Hakeem Ogunniran**

Chairman of the Board

## Introduction

Distinguished shareholders, colleagues, regulators, staff, and guests, I am honored to welcome you to our 21st Annual General Meeting.

Despite macroeconomic headwinds in 2025, LBIC Plc sustained a strong growth trajectory. Our year-end results reflect this resilience across all key indicators.

## Macro- Economic Review

The Nigerian economy in 2025 shifted from the inflationary pressures of 2024 into cautious stabilization. Headline inflation fell significantly from 34.8% to 15.15%, supported by FX stability, price adjustments from the Dangote Refinery, improved energy supply, and stronger CBN reserves.

National Bureau of Statistics data shows steady recovery, with GDP growth of 3.13%, 4.23%, 3.98%, and 4.07%

across Q1–Q4. Growth was driven by non-oil sectors, with Telecommunications and Financial Services expanding by 3.99%. These sectors now account for 97.13% of GDP, up from 94.60% in 2024.

The Naira appreciated modestly on the NAFEM window, moving from ₦1,550/\$1 in Q1 to ₦1,427/\$1 at year-end. This stability was aided by reduced speculative demand, increased local sourcing of raw materials, and the launch of the Electronic Foreign Exchange Matching System (EFEMS) in October 2025.

## Financial Performance

We delivered strong results despite global and domestic inflationary pressures, underscoring the Bank's resilience and the opportunities within our market.

- **Profit Before Tax:** Up 43% to ₦1.655 billion
- **Gross Earnings:** Up 41% to ₦3.565 billion
- **Mortgage Portfolio:** Up 161% to ₦2.072 billion
- **Customer Deposits:** Up 17% to ₦13.314 billion

- **Total Assets:** ₦20.614 billion
- **Shareholders' Funds:** ₦5.431 billion
- **Capital Adequacy Ratio:** 37%
- **Non-Performing Loan Ratio:** 0.00% as at December 2025

## Dividend Declaration

Reflecting this strong performance, the Board proposes a dividend of ₦0.068 per share, totaling ₦263,979,211.16. This reaffirms our commitment to consistent value delivery and to rewarding shareholder confidence.

## Board of Directors

The Board comprises eight members: five Non-Executive Directors and three Executive Directors. Under Mr. Olusola Faleye's leadership as Managing Director/CEO, the Bank has entered a clear growth phase driven by strong alignment between Board and Management.

## Outlook & Strategy

While domestic and global uncertainties persist, we are optimistic about 2026. The Nigerian mortgage sector has vast potential given the housing deficit, with only 4% of annual demand currently met. Key headwinds remain: inflation, energy costs, debt servicing, and geopolitical tensions.

To build on 2025's gains, our 2026 priorities are:

- **Strengthen digital capabilities** to boost customer experience and efficiency
- **Expand mortgage and retail lending** to capture housing and consumer finance opportunities
- **Deepen deposit mobilization** for funding stability and balance sheet growth
- **Maintain prudent risk management** to protect asset quality and capital
- **Leverage innovation and partnerships** to diversify revenue and sharpen competitiveness

By exceeding regulatory capital requirements and deploying technology with disciplined risk management, we are positioned to drive sustainable growth, expand homeownership, and secure future dividends.

## Conclusion

On behalf of the Board, I thank our shareholders for your unwavering support and our customers for your trust. To our management and staff: your dedication and resilience made this year's success possible.

We especially appreciate Governor Babajide Sanwo-Olu and the Lagos State Ministries and Parastatals for your continued support of our initiatives.

As we enter our next chapter, LBIC Plc remains focused on sustainable growth and on complementing government efforts to bridge Lagos State's housing deficit. The Board and I are committed to executing our strategy, driving profitable expansion, and securing long-term value for all stakeholders.

Thank you.



**Hakeem Ogunniran**

Chairman, Board of Directors

## MD/CEO'S STATEMENT



**Mr. Olusola Faleye**

Managing Director / CEO

### **Distinguished Shareholders, Members of the Board, Valued Partners, Esteemed Customers, Respected Regulators, and Gentlemen of the Press.**

It is both an honour and a profound privilege to welcome you to the 21st Annual General Meeting of the Lagos Building Investment Company. Today, we gather not only to review our performance but to celebrate a year defined by resilience, reinvention, and renewed purpose.

The 2025 fiscal year unfolded against a backdrop of heightened geopolitical tensions that reshaped global trade, disrupted investment flows, and strained diplomatic alliances. Inflationary pressures intensified, supply chains were tested, and growth projections softened across major economies. Advanced nations slowed, while developing and frontier markets faced mounting debt challenges.

Yet, even in this climate of uncertainty, the world economy demonstrated pockets of strength.

Global GDP steadied at 2.7% in 2025, supported by technological expansion, resilient consumer demand, and the gradual normalization of supply chains. Unemployment eased, though structural adjustments continued in regions such as the European Union and China.

Amid global turbulence and ongoing geopolitical risks, Africa's GDP attained 4.2% in 2025 up from 3.5% in 2024, indicating a solid recovery and positive prospects. The African Development Bank projects growth rising to 4.3% in 2026 and 4.5% in 2027, driven by private consumption, easing monetary conditions and stronger external demands, positioning the continent as one of the most dynamic regions globally.

Nigeria showcased notable resilience. GDP growth strengthened progressively in 2025, achieving 4.07%. This reflects strengthening macroeconomic stability and the impact of the ongoing Federal Government Reforms

Inflation remained a pressing concern; however, the rate dropped from 34.6% in 2024 to 15.15% in 2025, marking its lowest level in over five years. Despite this, the financial services sector stood out as a powerhouse, contributing significantly to national output and tax revenue.

The sector witnessed transformative developments characterised by strategic policy reforms, an enhanced regulatory framework, and significant infrastructure investments. The financial sector raised approximately ₦1.7 trillion in additional capital, primarily from existing shareholders. The capital market also grew strongly as market turnover exceeded ₦11 trillion.

The Central Bank's new capital requirements catalyzed strategic mergers and as banks continue their recapitalization efforts while Monetary Policy Rate was eased to 27% to support growth.

## LBIC 2025 Financial Performance

Despite global headwinds and domestic reforms, LBIC delivered a performance that reflects disciplined execution, prudent management, and unwavering commitment to our mandate.

LBIC's Gross Earnings surged by 41%, increasing from ₦2.537 billion in 2024 to ₦3.565 billion in 2025. Concurrently, Profit Before Tax rose by 43%, reaching ₦1.655 billion compared to ₦1.161 billion in the previous year.

The bank's Mortgage Loan portfolio grew from ₦794 million in 2024 to ₦2.072 billion in 2025, notably unimpaired. Customer Deposits achieved 17% increase, climbing from ₦11.336 billion in 2024 to ₦13.313 billion in 2025. LBIC concluded the year with a robust financial structure, evidenced by a growth in Total Assets, reaching ₦20.614 billion, and Shareholders' Funds totalling ₦5.431 billion.

## Digital Transformation Milestones

Our digital transformation agenda made significant strides during the year, with the E-Tax Integration fully completed and now operating seamlessly across all relevant transactions. This milestone has already enhanced compliance, transparency, and efficiency in property-related tax remittances and government fee collections.

- \* **Core Banking System Upgrade:** Migration to our next-generation technology architecture is nearing completion, positioning us for real-time processing, improved scalability, and enhanced service reliability.
- \* **E-Tax Integration:** To enable seamless tax remittance for property transactions and collection of other government fees, and fines, thereby improving compliance and transparency.
- \* **Mobile App & Internet Banking:** Development and integration are in the final stages, with biometric login, loan tracking, instant alerts, and support for both local and international transactions set to transform customer experience and accelerate homeownership access in Lagos State.

- \* **Mortgage Loan Automation:** Implementation is progressing strongly, with AI-driven credit scoring already undergoing final testing. Once fully deployed, approval turnaround time will be reduced by up to 60%.
- \* **Website Redesign:** The new responsive, customer-centric website with self-service tools is in its final refinement phase and will significantly strengthen our brand presence as the mortgage partner of choice.

## Commitment to Full Digital Operations

With the E-Tax platform now fully functional and other projects approaching completion at various advanced stages, we remain fully committed to accelerating the final rollout. Our teams are working diligently to ensure that every LBIC customer soon enjoys the benefits of a fully digital, seamless, and future-ready mortgage banking experience.

## Our Vision for 2026 and Beyond

As we step into the 2026 financial year, LBIC is charting a bold path forward. Our priorities include:

- Expanding mortgage access to underserved communities
- Deepening partnerships with fintechs and housing cooperatives
- Strengthening ESG compliance and sustainable housing initiatives
- Enhancing digital infrastructure for a future-ready LBIC

We are building a mortgage ecosystem that is inclusive, innovative, and globally competitive.

## Conclusion:

Our mission remains unwavering, to make homeownership accessible, affordable, and achievable for every Lagosian. Through initiatives such as the One-Click Mortgage Approval System, we are redefining what is possible in housing finance.

Under my leadership, LBIC will continue to pursue strategic growth, operational excellence, and digital transformation. Our ambition is clear: to position LBIC as the premier mortgage bank in Lagos and a trusted partner for both local and international customers.

To our shareholders, board, staff, and customers, thank you for your steadfast support. Together, we are not just building homes; we are building futures, strengthening communities, and shaping the Lagos of tomorrow.

Thank you, and God bless LBIC.



**Olusola Faleye**  
Managing Director

# DIRECTORS' PROFILE



**Hakeem Ogunniran**  
Chairman of the Board



**Olusola Faleye**  
Managing Director / CEO



**Afolabi Omilabu**  
Executive Director



**Layiwola Okoya**  
Executive Director



**Bolanle Banjo**  
Non-Executive Director



**Adewale Atidade Okesola**  
Non-Executive Director



**Femi Adewole**  
Independent Non-Executive Director



**Tunde Owolabi**  
Independent Non-Executive Director



## Hakeem Ogunniran

Chairman of the Board

**Hakeem Ogunniran** is the Founder and Chief Executive Officer of Eximia Realty Co Ltd, developers of the MaestroVille, and Fiona-Lawton Apartments, Lekki, and joint promoters of Lake City, Lagos. His company is also the exclusive franchisee of Plovercrest Capital Inc for the West African territory.

He retired from UAC of Nigeria Plc in 2018 having served as the Managing Director of UACN Property Development Co Plc (UPDC) from 2010 - 2018 and Managing Director of MDS Logistics (Division of UAC of Nigeria PLC) between 2000 - 2010. Prior to 2000, he was at various times a Law Lecturer, Company Secretary/Legal Adviser, Sales/Marketing Manager and Corporate Planning Manager.

Hakeem graduated from the University of Lagos with a Second-Class Honours (Upper Division) in 1984 and passed the Bar Examinations at the Nigerian Law School in 1985 also with a Second-Class Honours (Upper Division). He also holds LL.M and MBA degrees from the University of Lagos, was a former Fulbright Visiting Scholar at the Yale Law School, USA, and has attended several high level management training programmes including the Unilever (IMS), U.K 1996); General Management Programme (GMP) of Ashridge Management College, U.K. (2000); Strategic Leadership Programme of Cranfield University, U.K. (2004) Real Estate Management Program of Harvard Business School (2010) and Senior Financial Management program of the London Business School (2012).

Hakeem is also a Past President and Chairman of Council, the Institute of Chartered Secretaries and Administrators of Nigeria and EXCO Member of the Lagos Chamber of Commerce & Industry and frequent

speaker at international conferences including the Annual African Property Investment Summit in Johannesburg, South Africa. He was the Lead Speaker for Africa at the 1st International Conference on Corporate Governance at Shanghai in May, 2010.

As the CEO of UPDC Plc., Hakeem changed the narrative of the real estate industry in Nigeria; leading his team to deliver landmark and iconic projects in Lagos (such as Victoria Mall Plaza and KPMG Towers, Cameron Green, Festival Mall, The Residences, Pinnock Beach Estate, Alexander Miller Apartments, etc.), Abuja (The Pinnacle, Metrocity, Emerald Court, etc.) Port Harcourt (Vintage Gardens), Ibadan (Olive Court) and birthing projects in other cities including Asaba and Calabar. In the area of project funding, he led his team to float the first non-government/non-financial institution bond in Nigeria, CPs (vide FMDQ) and a unique DOT based Real Estate Investment Trust in 2013.

He is a recipient of many awards including the Federal Government's Scholarship for High Academic Standing (1981 – 1984), Fulbright Scholarship to Yale School, USA (1991/1992), Joint Best Individual Performance in Management Accounting in ICSAN Final Examinations; Osun State Government of Nigeria's Merit Award, 2007, ICSAN's Special Award for Exemplary Service (2009); Kwame Nkrumah Award For Corporate Governance Excellence 2009, Distinguished Chartered Secretary of the Year, 2010; Association of Professional Bodies in Nigeria's Award for Professional Excellence, 2011 and Global Home Nigeria Property Award's Property CEO of the Year 2011, Real Estate Unite Person of the Year, 2013, the Odua Business Ambassador Awards and named one of the top 20 CEOs of the Listed Companies on the Nigerian Stock Exchange for 2013.



## Olusola Faleye

Managing Director/CEO

**Olusola John Faleye** is a seasoned banking executive and cybersecurity expert with over two decades of experience spanning Banking Operations, Business Analysis, Project Management, ICT Operations, Customer Relationship Management, and Business Process Improvement. His extensive career showcases a profound understanding of the interplay between business and technology, consistently driving efficiencies and bridging gaps through innovative solutions.

Faleye served as Technical Specialist to the former Group Chief Executive Officer (GCEO) of Access Holdings PLC, supporting the execution of corporate strategy and change initiatives. He leveraged technology to drive paperless operations, process automation, and strategic tech adoption, while also collaborating on balance sheet and P&L performance targets.

Prior to joining Access Bank Plc in 2019 (now Access Holding Plc), Olusola held various roles in the erstwhile Diamond Bank Limited, which included Regional Head, Systems Support Unit, and Special Assistant to the Chief Executive Officer. He led IT operations, managed boardroom technology, and played a key role in IT strategy and project delivery, ensuring alignment with business goals.

His project portfolio includes successful initiatives such as Office 365 adoption campaigns, ISO certification projects, hardware/software upgrades, and the deployment of innovative technologies to drive business value. He possesses strong technical expertise in cybersecurity solutions, data analytics using Microsoft Power BI, virtualization deployment and management, and enterprise-level Office 365 implementation and administration.

When the COVID-19 pandemic struck in 2020, Olusola played a significant role in orchestrating the collaborations of business leaders across Nigeria and supporting the GCEO's efforts to drive all national and international interests to manage the impact of the pandemic, which resulted in the establishment of 'Coalition Against COVID-19' (CACOVID).

Olusola's international experience spans various verticals, including subsidiaries' CEOs, facilitating high-level engagements with Presidents, Chief Executive Officers of multilateral organisations, and C-suite executives in numerous countries for business growth and expansion. His strategic management of stakeholder relationships within key African and European businesses and trade corridors has yielded substantial investment returns.

Olusola is a distinguished member of the Institute of Directors, Nigeria. His executive training includes a Certificate in Finance for Executives from the Wharton Aresty Institute of Executive Education at the University of Pennsylvania, USA and a Certificate in Leadership Agility from Dubai, UAE, emphasizing strategic and operational leadership. He further holds an MSc in Information Security from Royal Holloway, University of London, and a BSc in Mathematics from Ahmadu Bello University, Zaria.

As the CEO of Lagos Building Investment Company (LBIC), Olusola is committed to applying his extensive expertise to accelerate business growth and deliver exceptional value through technology-driven and innovative solutions. He is recognized for his strong capacity to cultivate and manage a broad network of influential leaders across the financial sector, a capability that consistently strengthens the success and impact of the initiatives he leads.



## Afolabi Omilabu

Executive Director

**Afolabi Omilabu** has close to 30 years' experience in various aspects of the banking industry including Enterprise Risk Management, Credit & Marketing, Audit & Control and Operations. He started his career in the finance industry with the Home Foundation Savings & Loans Limited in 1993 and his Banking career with the NAL Merchant Bank in 1997. He worked with various other commercial banks and rose through ranks to become a Deputy General Manager in one of the reputable commercial banks where he was critical to decision making, management of human resources, credit management as well as developing strategies to grow the business.

Before joining the Board, Afolabi was the Chief Executive Officer of Headway Microfinance Bank and he was responsible for the supervision and coordination of the whole gamut of the bank's operations to achieve overall corporate goals and objectives whilst driving appropriate Enterprise Risk Management.

He received multiple awards for outstanding performance across various organizations, as well as several commendations for his achievements while working with other banks..

Afolabi is an alumnus of the University of Lagos where he holds a Bachelor's Degree in Economics, is a Fellow of the Institute of Chartered Accountants of Nigeria and a member of the Chartered Institute of Directors, Nigeria.



## Layiwola Okoya

Executive Director

**Layiwola Okoya** is a distinguished and accomplished banking and finance professional with over 23 years of comprehensive experience in accounting, finance, business development, operations management, marketing, sales administration, and real estate management.

As the Executive Director at LBIC, he leads Business Development, Mortgage and Credit Department, and Information Technology Department, leveraging his expertise to drive organizational growth and efficiency. Previously, he served as Deputy General Manager, Shared Services, at the Lagos Mortgage Board and held key positions at Zenith Bank Plc, Nokia Siemens, and RAO Investments, where he drove change management initiatives and led high-performing teams.

Throughout his career, Mr. Okoya has demonstrated exceptional leadership, strategic thinking, and a strong commitment to excellence.

He is recognized as a pragmatic, results-driven, and strategically-minded problem solver. He holds an MBA from the University of Lagos, a BSc in Accounting & Management from the University of Wales, Cardiff, and an Advanced Diploma in Management Accounting from CIMA. Mr. Okoya is a member of the Chartered Institute of Directors, Nigeria and a Fellow of the Chartered Institute of Administration.

Outside of his professional pursuits, Mr. Okoya is passionate about playing lawn tennis and is an active member of Ikoyi Club, Island Club, and Yoruba Tennis Club. He is also committed to social impact activities and volunteering with non-profit organizations. Mr. Okoya is happily married with three children.



## Bolanle Banjo

Non-Executive Director

**Mrs Bolanle Banjo** is a well respected governance practitioner, business executive, and diaspora investment strategist. She has got over thirty years of progressive experience across banking, enterprise development, manufacturing, and diaspora-led economic transformation. Her exemplary track record in both public and private sectors is grounded in competence, character, and contribution, which are the hallmarks of transformative public service.

She began her career in financial services, where she spent over 14 years at Gulf Bank of Nigeria Plc. She rose to the position of Treasurer and Assistant General Manager in the bank where she took responsibility for steering the bank's treasury operations, liquidity management, and financial market engagement. Bolanle's stewardship showed a deep understanding of institutional accountability, risk oversight, and capital allocation.

Mrs Banjo holds an MBA in Marketing from Lagos State University, Ojo and a Higher National Diploma in Business Administration from Kwara State Polytechnic. As Co-Founder and Board Director of H2A Foods Nigeria Limited and its US-based parent, Heritage Agro-Allied Foods Inc., Bolanle has championed agricultural value addition, cross-border trade facilitation, and job creation. Her entrepreneurial leadership shows a commitment to food security and inclusive economic participation.

In her role as Chairman of Windsor Wood Limited, she leads a furniture manufacturing firm focused on educational, residential, and commercial spaces. Her involvement has enabled her to promote local content development, technical and vocational training, and industrial competitiveness. In her dynamism, she went on to co-found Newdawn Cleaning Services Ltd, a waste management operator under the Lagos State Private Sector Participation (PSP) initiative. Her business expression in this sector shows her alignment with environmental sustainability and public-private partnership schemes.

Outside Nigeria, Mrs Banjo is a Mortgage Professional and Insurance Broker in Canada, who has successfully closed multi-million-dollar mortgage syndications year-on-year. This experience has boosted her ability to facilitate capital inflows, knowledge, and opportunities from the Nigerian diaspora.

She maintains active engagement in governance and diaspora platforms, including:

- Member, Chartered Institute of Directors (CIoD), Nigeria
- Non-Executive Director, Lagos Building Investment Company PLC (LBIC)
- Member, Board of Trade, Canada's foremost business network

- Member, Nigerians in Diaspora Organisation (NIDO), Canada
- Member, Yoruba Community Association, Toronto, Ontario

Mrs Banjo's professional journey reflects key competencies:

- Policy understanding and regulatory fluency
- Cross-sectoral insight with results in finance, manufacturing, and agribusiness

- Institutional leadership with oversight responsibilities
- Global partnerships and diaspora integration
- Ethical stewardship and commitment to national advancement

With her background in both domestic development and global engagement, Mrs Bolanle Banjo offers a refined, pragmatic, and future-facing leadership profile. She brings the right mix of clarity, capacity, and connection to move institutions forward.



## Femi Adewole

Independent Non-Executive Director

**Femi Adewole** is an experienced Housing Development and Finance Professional with over 25 years experience in Europe and Sub-Saharan Africa; he has strong knowledge of the Affordable Housing Market in Sub-Saharan Africa having executed housing projects in over 30 countries.

Femi trained as an Architect and holds a B.Sc. (Hons) Architecture and a M.Sc. Architecture from the University of Ile-Ife; He holds a M.Sc. Land Management and Property Development from the University of East London and bagged his Masters of Business Administration (MBA) from the prestigious Warwick Business School University of Warwick, Warwick, UK. He is a Fellow of the Nigeria Institute of Architects, Member of the Royal Institute of Chartered Surveyors (MRICS); Member, International Union of Housing Finance and Hon Fellow Nigeria Institute of Building.

Femi commenced his career as a project architect at Construction Consultants Nigeria and was subsequently a Senior Development Manager at Hyde Housing Group London, Regional Director at Bedfordshire Pilgrims Housing association, Bedford – UK; Executive Director at InCommunities Ltd, Bradford – UK, Investment Director at The Guinness Trust, London – UK and finally Group Operations Director at Notting Hill Housing, London before returning to Nigeria in 2008 as the CEO/MD at First World Communities Ltd, Lagos.

After his tenure at First World Communities Ltd, Lagos he was appointed Director of Business Development and Operations at Nairobi based Shelter Afrique in 2018 leaving in 2018 as Managing Director to take on the role of pioneer MD/CEO at the Family Homes Funds Limited – a Nigeria focussed affordable housing development and finance company promoted by the Nigeria Sovereign Wealth Fund and the Ministry of Finance Incorporated.

Femi's current focus is developing afro-centric housing and infrastructure finance solutions which address the unique context of predominantly low income and informal economies in Sub-Saharan Africa. This includes growing a new generation of housing and real estate professionals to take advantage of the enormous opportunities offered by population growth and therefore demand for housing in Nigeria and Sub Sahara Africa.

He is currently Lead Consultant at Urban Economics International advising public and private sector based clients on Urban Infrastructure Projects. He also serves on the Board of numerous local and international companies.



## Adewale Atidade Okesola

Non-Executive Director

**Adewale Okesola** is an experienced Chief Executive with a demonstrated history of working in the Logistics, Outsourcing and Supply Chains Industries. He is skilled in management of human and material resources, strategic planning, business development, marketing, project evaluation, costing and planning.

He is an entrepreneur in management of resources with decades of proven track record of success in business dealings with the Government (Parastatals & Agencies) and the Private Industrial sector. He is a result-oriented manager with strong technical ability and excellent relationship managing skills. He is a leader of teams and an expert in steering stalled projects back on track and leading them to successful completion.

Adewale began his educational journey at Ladi Lak Primary School Yaba, he proceeded thereafter to Awori Ajeromi Grammar School, Agboju-Apapa; he attended the Lagos State Polytechnic where he obtained a Higher National Diploma in Accounting in the year 1986; he has a Post-Graduate Diploma in Management from the Rixel Institute of Management Studies, Stratford, London.

In the year 2013, he obtained a Master of Business Administration from the University of Chichester, U.K. and a Master of Business Administration from the Metropolitan School of Business and Management UK, in the year 2017.

He started his career with the West African Examination Council (WAEC) as a Clerical Officer; he then worked as an Audit Manager with Ajibade Durojaiye & Co (Chartered Accountants); he thereupon worked as an Accountant and Executive Officer Investment with the Nigeria Social Insurance Trust Fund (NSITF); he resigned from NSITF in 1996 to start his private companies (spanning building renovations, constructions, resources sourcing and procurements, facilities and janitorial management).

Adewale is a member of the Chartered Institute of Directors, Nigeria, a member of the Lagos Chamber of Commerce and Industry, member Nigeria British Chamber of Commerce and a member of Abuja Chamber of Commerce and Industries.



## Tunde Owolabi

Independent Non-Executive Director

Tunde Owolabi is a seasoned banking professional with almost 40 years of work experience spanning Audit, Consulting and Banking where he had cross-functional exposure in the areas of Financial Control, Operations & Services as well as Credit and Relationship Management in Corporate, Commercial and Retail Banking.

He started his career at KPMG Peat Marwick Ani Ogunde & Co, an accounting firm before going into the banking industry where he worked between 1990 and 2022.

He was the Group Executive, Retail Banking, Lagos & West in First Bank of Nigeria running the retail businesses of the bank in the Lagos & Western region of Nigeria before he retired. His portfolio comprised of 235 branches and over 35,305 Agents in the bank's agency network with a deposit balance sheet size of N1.3 trillion.

He was instrumental to the Bank's strategic focus of emerging as the largest and one of the best Retail Banking institutions in Nigeria and by extension, Africa.

He obtained a B.Sc. degree from the University of Ife with a second-class upper division and a Master's degree in Business Administration (MBA) from the University of Lagos. He is a fellow of the Institute of Chartered Accountants of Nigeria (FCA), the Chartered Institute of Taxation (FCTI) and the Nigerian Institute of Management (FNIM). He is a member of the Chartered Institute of Directors (MC.IOD) and an Honorary member of the Chartered Institute of Bankers (HCIB). He is also an alumnus of the Lagos Business School and has attended many professional development courses globally including the London School of Retail Banking, School of Project Finance (International Faculty of Finance UK) and Harvard Business School.

He currently sits on the board of First Bank Sierra Leone, a subsidiary of First Bank of Nigeria Limited as a Non-Executive Director and serves as Chairman of both the Board Credit Committee and Board Finance and Human Capital Committee.

# CORPORATE GOVERNANCE REPORT

## Introduction

At Lagos Building Investment Company Plc ('LBIC' or the 'Bank') we are committed to maintaining the highest standards of corporate governance and best practices through the adoption of robust procedures in the establishment of a strong corporate governance framework. During the year ended December 31, 2025, LBIC regularly reviewed its corporate culture and practice to align with relevant regulatory requirements and global standards in order to be at the vanguard of good corporate governance.

In the period under review, the Bank ensured the conformity with extant laws and regulations concerning corporate governance as required by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC). The Company's examiners' reports were implemented. A satisfactory level of compliance was also achieved with respect to the Code of Corporate Governance issued by the Financial Reporting Council, Securities and Exchange Commission and the Code of Corporate Governance for Primary Mortgage Banks issued by the Central Bank of Nigeria.

As an addition to its Code of Corporate Governance, the Company endorses its core values to its employees through its Code of Conduct and Business Ethics Policy which regulates employee relations with internal and external parties. This Policy guides the Company on issues of Human Rights, Conflict of Interest, Bribery and Corruption. Akin to this is an approved handbook which contains tenets of standard practices which guides the Company's employment and labour relations with its employees. This is a strong indication of LBIC's determination to ensure that its employees exhibit professionalism at all times in their business dealings.

## 1. Governance Structure

The Board of Directors is responsible for the governance, overall guidance and strategic policy formulation of the bank. The Board has the obligation of ensuring that the highest standards of Corporate Governance are observed and adhered to. Thus the Board, as at December 2025, consists of (8) members,

five (5) of whom act in a non-Executive capacity.

Appointments to the Board of Lagos Building Investment Company Plc. is carried out in line with provisions of the Company's Article of Association, the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance, SEC Code of Corporate Governance and the Code of Governance for Primary Mortgage Banks issued by the Central Bank of Nigeria. All appointments are made subject to the approval of the Central Bank of Nigeria. Also, in adherence to the provisions of the relevant Codes of Corporate Governance, newly appointed members of the Board are taken through a formal induction session and training. The Board plays a central role in conjunction with Management to enhance the financial strength of the Bank and to see that it is properly governed and risk averse. The Board ensures that proper level of checks and balances is maintained, in order to ensure that decisions are taken with the best interest of the Bank's stakeholders in mind. The current membership of the board consists of persons of diverse discipline and skills; specially selected having regard to their professional background and expertise, business experience and integrity as well as knowledge of the bank's business. All of the Bank's Directors bring independent judgment to bear on deliberations and decisions of the Board (without prejudice to Directors' right to earn Directors' fees and hold interest in shares); they also possess the right balance of expertise and experience that enables them to properly evaluate information and responses provided by Management and provide objective challenge to Management..

## 2. Responsibilities of the Board

The Board is conversant with the fact that it is expected to set the right tone for enterprise-wide processes, thus, the Board is accountable and responsible for the affairs and performance of the company. The Board determines the strategic objectives and policies of the Company to deliver long-term value by providing

overall strategic direction within a framework of rewards, incentives and controls. The Board also ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between compliance with governance principles and economic performance.

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### 3. Separation of the Roles of the Chairman and CEO

At the top stratum, responsibilities and roles are well defined and as required by all Corporate Codes of Corporate Governance to which the Bank is subject to, the roles of the Managing Director/Chief Executive Officer and the Chairman are well separated. The Chairman's key responsibility is to lead and manage the Board to ensure that it operates effectively and fully performs its legal and regulatory duties. The Chairman is not involved in the day-to-day operations of the Bank and is not a member of any Board committee.

### 4. The Office of the Managing Director/Chief Executive Officer

The Managing Director/Chief Executive Officer of the Bank is responsible for providing strategic guidance and oversight to the Bank's Leadership Team in the development of strategic objectives and operational plans. The MD/CEO works with the Board of Directors to formulate policies and strategies for the growth of the organization. The MD/CEO is responsible for the implementation of long-term strategic goals, policies and plans as approved by the Board. The MD/CEO responsibilities include:

- The overall day-to-day management of the Bank.
- The development of strategic operating action-plans that reflect the long-term objectives established by the board.
- Ensuring that corporate strategic objectives and implementation guidelines are developed and duly communicated to and owned by the Leadership team and other employees.
- Fashioning a transparent and timely financial reporting and management information system to help manage the business.
- Ensuring that the Bank strictly adheres to and meets the highest level of Corporate Governance.
- Representing the Bank to its customers, investors, Government and the general public.
- Ensuring the prudent management of the Bank's finances and other resources.
- Recruiting, building, developing and nurturing a team of highly competent, professional and effective staff.
- Ensuring that LBIC's operations are conducted in accordance with regulatory guidelines and rules of all regulatory bodies (Central Bank of Nigeria, Securities and Exchange Commission, etc.)

### 5. Induction and Continuous Training

The Company has put in place a continuous training framework and a robust induction program for newly appointed Directors which is tailored to meet their individual requirements. This is aimed at familiarizing individual Directors with their oversight functions, updating their knowledge and skills and to enlighten them on the business, policies, regulatory obligations and operating environment of the Bank.

## 6. Board Composition

The number of persons who held office as Directors during the year were 1 (one) Managing Director, two (2) Executive Directors, five (5) Non-Executive Directors, they are:

S/N	Name	Date of 1st Appointment
1.	Hakeem Ogunniran	10th June 2020
2.	Olusola Faleye	1st June 2024
3.	Afolabi Omilabu	1st December 2020
4.	Layiwola Okoya	1st February 2021
5.	Femi Adewole	27th June 2019
6.	Bolanle Banjo	10th June 2020
7.	Adewale Okesola	10th June 2020
8.	Tunde Owolabi	29th October 2021

## 7. Information Flows

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

## 8. Directors Remuneration Policy

The remuneration package of Directors is in alignment with the long-term interests of the Bank and all its stakeholders. The annual Board Fees is determined by the members in general meetings. Directors are paid sitting expenses for attending and returning from Board meetings, Committee meetings and Annual General Meetings held in connection with the business of the Bank..

### a Non-Executive Directors' Remuneration

The Bank's policy on remuneration of Non-Executive Directors is guided by the provisions of the CBN Code which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and hotel expenses. As at December 31, 2025, the Bank paid a total of ₦17,981,250.00 (Seventeen Million, Nine Hundred and Eighty-One Thousand Two Hundred and Fifty Naira Only) to cover the cost of all sitting expenses incurred by Non-Executive Directors for company meetings, board meetings and board committee meetings attended during the year.

### b Executive Directors

The remuneration of Executive Directors is structured to link rewards to corporate and individual performance. The details of Director's remuneration are as follows:

TYPE OF PACKAGE FIXED	DESCRIPTION	TIMING
Basic Salary	This forms part of the gross salary and is paid to the Executive Directors only, as contained in their Contracts of Employment	Paid Monthly
13th Month Salary	Payable to Executive Directors only	Paid in the 11th month or last month of the year
Leave Allowance	Payable to Executive Directors only, as contained in their contracts of Employment	

Further details of the remuneration paid to Executive and Non-Executive Directors are contained in Notes 10 and 11(b)

## 9. Board Evaluation

The Bank conducted a Board Review/Appraisal covering all aspects of the Boards' structure, composition, responsibilities, processes and relationships, in compliance with the requirement of the CBN Code. To conduct the Annual Board Appraisal for the financial year ended December 31, 2025, the Board appointed Kaizen Academy. The Independent Consultant carried out a comprehensive review of the effectiveness of the Board by assessing its overall performance. The report of the Appraisal was submitted to the Central Bank of Nigeria in accordance with the requirements of the CBN Code and the summary of the report is included in the Annual Report for the year ended December 31, 2025.

## 10. Board Committees

The Board for the sake of efficiency has established four committees, namely, Board Audit, Risk and Compliance Committee, Board Credit Committee, Board Governance, Remuneration and Nomination Committee and Statutory Audit Committee. The committees were re-constituted at the meeting of the Board of Directors that was held on 29th October, 2021 as follows:

### a. Board Audit, Risk and Compliance Committee (BARC)

The Committee was constituted in compliance with the Nigerian Code of Corporate Governance 2018 as well as the CBN Code of Corporate Governance. The Committee has oversight functions over Internal Audit, Information Technology, Outsourcing as well as the Risk & Compliance Departments. The Committee consists of only Non-Executive Board members and is chaired by the Independent Board member. The objective of the Committee is to entrench a formal and transparent arrangement towards ensuring a formidable financial reporting system and control measures. The Committee also reviews the Bank's report in respect of the Internal Control system and the Internal Audit Programme.

### b. Board Credit Committee (BCC)

The Committee was constituted in compliance with the Nigerian Code of Corporate Governance 2018 as well as the CBN Code of Corporate Governance. The Committee has oversight functions over the Mortgage & Credit team. The Committee's membership is a mix of an Independent and Executive Board members and is chaired by a non-Executive member of the Board. The Committee meets as often as the need arises. The objective of the Committee is to ensure compliance to relevant laws, regulations and codes on financial reporting and credit risk management.

### c. Board Governance, Remuneration and Nomination Committee

The Committee was constituted in compliance with the Nigerian Code of Corporate Governance 2018 as well as the CBN Code of Corporate Governance. The Committee consists only Non-Executive Directors. The Committee guides the Board on issues relating to selection, compensation, performance evaluation of members of the Board and staff as may be required from time to time. The Committee is a merger of the former Board Remuneration & Nomination Committee with the Board Governance Committee..

### d. Statutory Audit Committee (SAC)

The Committee is established in line with Section 404(3) of the Companies and Allied Matters act 2020. The Committee's membership consists of three (3) representatives of shareholders re-elected at the Annual General Meeting held on Thursday, 12th September 2024 and two (2) Non-Executive Directors. The Committee is chaired by a Shareholder representative. The Committee is required to meet at least once in a quarter or as often as the need arises. The Head, Internal Audit and the Financial Controller are required to make presentations to the Committee. The Executive Directors may also be invited to attend the meeting. All members of the Committee are financially literate.

## 11. Dates of Meetings – Board and Board Committees

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
<b>BOARD</b>		27th		24th				7th			11th	
<b>BARC</b>		17th		15th			22nd				6th	
<b>BCC</b>	21st	5th			12th	5th 19th	31st		8th	31st		
<b>BGRN</b>												11th
<b>SAC</b>		20th		15th			22nd				6th	

## 12. Board and Board Committee Meeting Attendance Schedule

DIRECTORS	BOARD	BARC	BCC	BGRN	SAC
Number of Meetings	4	4	9	0	4
Hakeem Ogunniran	4	N/A	N/A	N/A	N/A
Olusola Faleye	4	N/A	N/A	N/A	N/A
Afolabi Omilabu	4	4	9	N/A	4
Layiwola Okoya	4	4	9	N/A	4
Femi Adewole	4	4	N/A	N/A	N/A
Bolanle Banjo	4	4	9	N/A	4
Adewale Okesola	4	4	9	N/A	4
Tunde Owolabi	4	4	9	N/A	N/A

## 13. Executive Committee (EXCO)

The EXCO comprises of all the Bank's Executive Directors, with the MD/CEO as its Chairman. The Committee meets fortnightly (or at such other times as business exigency may require) to consider and make policy decisions on the effective management of the bank. It also serves as a first review platform for issues to be discussed at the Board level. The EXCO is tasked with the primary responsibility of ensuring the implementation of Board approved strategies, provide leadership to the Management team and ensure effective utilization and administration of the bank's resources.

## 14. Relationship with Shareholders

The Bank guarantees adequate interaction among its Shareholders, Management and Board ensuring that the interest of the minority shareholders is protected; the Annual General Meeting gives Shareholders the

platform to contribute to the management of the Bank. Annual General Meetings are conducted in an open manner which facilitates shareholders participation in accordance with regulatory and statutory requirements; the meetings are held in accessible locations and are open to shareholders and their proxies. At the General Meetings, all Shareholders irrespective of the volume of their shareholding or social status are treated equally.

The Shareholders also have direct access to the Company Secretary to clarify any issue of concern on the Bank's activities.

## 15. The Company Secretary

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Company Secretary ensures that the Bank complies with and

implements relevant regulatory laws including the CBN Guidelines for Primary Mortgage Banks, the Central Bank of Nigeria Code of Corporate Governance for Banks and Other Financial Institution, the Securities and Exchange Commission Code of Corporate Governance, the Nigeria Deposit Insurance Act and the Companies and Allied Matters Act.

The Company Secretary is responsible for the induction and orientation of new Directors and the provision of continuous education/training for the Non-Executive Directors.

The Company Secretary provides a central source of guidance and advice to the Board and the Bank on matters of ethics, conflict of interest and good corporate governance. The Company Secretary is a source through which the Shareholders of the Bank access information on the Company.

The Company Secretary ensures adequate dissemination of information among board members and between the board and the Management of the Bank. The Company Secretary also organizes Board meetings, undertakes the preparation of necessary documents requisite for successful deliberations thereto and ensures that the minutes of Board meetings clearly and properly capture Board discussions and decisions. It is also the responsibility of the Company Secretary to ensure that all regulations and policies of the Bank including the Memorandum and Articles of Association are complied with.

## 16. External Auditors

The External Auditors for the 2025 Financial Year were Messrs. Gbenga Badejo & Co. They were appointed by shareholders at the 18th Annual General Meeting held 18th August, 2023.

## 17. Audit Fees

The audit fees paid by LBIC to the external auditors for the 2025 Statutory Audit was ₦4,300,000.00 (Four Million, Three Hundred Thousand Naira) only.

## 18. Independent Professional Advice

The Board in order to effectively perform certain responsibilities and to make well-informed decisions obtains Independent professional advice as appropriate.

## 19. Monitoring Compliance with Corporate Governance

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the CBN Code of Corporate Governance for Primary Mortgage Banks. The Chief Compliance Officer and the Company Secretary forward regular returns to the Central Bank of Nigeria on all whistle-blowing reports and also on corporate governance compliance.

## 20. Management Committees

These are Committees comprising Senior Management Staff of the Bank. The Committees are risk driven as they are basically set up to identify, analyze, synthesize and make recommendations on risks arising from the day-to-day activities of the Bank. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide input for the respective Board Committees and ensure that the recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers. The Standing Management Committees in the Bank are:

- Assets and Liabilities Management Committee;
- Management Credit Committee;
- IT Steering Committee; and
- Risk Management Committee

### a. Assets and Liabilities Management Committee:

The Assets and Liabilities Management Committee is responsible for the management of a variety of risks arising from the Bank's business. The committee meets quarterly and has the following terms of reference:

- Ensuring that the Bank has adequate liquidity while managing the spread between interest income and interest expense.
- Monitor and Control all liquidity, market and interest risk across the Bank.
- Review the financial report with a view to match the liabilities with Assets to avoid mismatch.
- To review immediate funding and to develop contingency funding plans.
- Review and note the impact of internal and external factors on the net interest margin.
- To ensure regulatory ratios are adhered to.

## **b. Management Credit Committee**

The Management Credit Committee reviews the entire credit portfolio of the Bank and conducts a periodic assessment of the quality of risk assets in the Bank, the committee meets monthly and has the following terms of reference:

- Review credit policy recommendations for approval.
- Approve credit proposals in line with its approval limits and the active management of individual portfolios by:
  - Reviewing risk trends and related provisioning
  - Monitoring problem exposures and reviewing large exposures; and
  - Monitoring portfolio exposures and trends.
- Agree and advise the Board through the appropriate Board Committee on the portfolio plan/strategy for the Bank.
- Review the credit portfolio against the Bank's appetite for credit risk.
- Coordinate the Bank's response to material event that may have an impact on the credit portfolio.
- Review monthly credit risks report and remedial action plan
- Ensure that top management as well as the individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

## **c. The IT steering committee**

The IT steering committee is responsible for the:

- Implementation of the approved IT strategy by the Board.
- Provision of insight on long-term information system strategies in support of legislative and regulatory mandates.
- Alignment of information system goals and objectives to the banks business goals and objectives.
- Giving direction and control to information systems task and activities.
- The consideration of all proposal for information systems development and approval of their adaption or otherwise in terms of cost, resource requirements, net benefit, organizational impact and technology impact.

## **d. Risk Management Committee**

This Committee is responsible for regular analysis and consideration of risks in the Bank. The Committee meets at least quarterly. However, additional meetings may be held if required. The Committee reviews and analyses environmental issues and policies impacting either directly or remotely on the Bank, brainstorms on such issues, and recommends steps to be taken by the Bank.

The Committee's approach is risk based. The Committee provides input for the Board Risk Management Committee and also ensures that the decisions and policies emanating from the Committee's meetings are implemented. The mandate of the Committee includes:

- Review the effectiveness of the Bank's overall risk management strategy at the enterprise level.
- Review the enterprise risk scorecard and determine the risks to be escalated to the Board on a quarterly basis.
- Identify and evaluate new strategic risks including corporate matters involving regulatory, business development issues etc., and agree on suitable mitigants.
- Follow-up on management action plans based on the status of implementation compiled by the Management Risk Committee.

## **21. Board Selection and Appointment Process**

The process of appointing a director is done in accordance with the Company's Articles of Association, the Companies and Allied Matters Act 2020 (as amended), the Board Charter and other relevant Codes of Corporate Governance which the Company is subject to. The process includes the following:

- The Board ensures that the procedure for selection and appointment of new director on the Board of the Company is clearly defined, formal and transparent.
- The selection process reflects the strengths, the required skill and experience, age and gender composition.
- The Board conducts a thorough analysis of the existing Board's status and confirms whether there is a need to appoint a new Director, especially in events of casual vacancies.

- Nominations are forwarded to the Board through the Company Secretary to the Governance and Nomination Committee for their review and to make recommendations to the Board on the suitability of any proposed candidates.
- The Board considers the Committee's recommendation and conducts relevant checks to ensure that a proposed candidate is fit
- Sequel to the Board's approval of the appointment of a proposed candidate, the appointment is formally communicated to the successful candidate. The successful candidate will be required to formally accept or reject the appointment.
- Following the approval of the Board, the Company Secretary notifies the Central Bank of Nigeria in writing, seeking the Bank's approval of the appointment.

## 22. Gender Diversity

The Bank is aware that there has to be a fair representation of people of different genders as members of the Board, Executive Management as well as other member of staff. The Bank thus provides a level playing field for all gender such that no gender is seen as being more important to the business of the bank than the other.

## 23. Fines and Penalties

The Bank was fined by FRCN for contravening the following regulatory issues: Certification of annual reports and financial statements by professionals without disclosing the FRCN registration number, failure to present a statement of corporate responsibility for the financial statements and other Accounting issues..

## 24. Whistleblowing Policy

In line with the provisions of relevant Corporate Governance Code, the Company has incorporated in its Code of Ethics and Business Conduct, a robust whistle blowing policy which encourages anonymous reporting of unethical and illegal actions and activities.

## 25. Corporate Social Responsibility and Sustainability

As a major player in the mortgage banking industry, LBIC is awake to its status and responsibilities in the Nigerian

society as a corporate citizen. As such, the Company deliberately integrates the society in its plans and maintains a very robust relationship with all stakeholders.

## 26. Statement of Compliance

The Bank carries out its Corporate Governance practice in line with the National Code of Corporate Governance and other Codes of Corporate Governance provided by the Securities and Exchange Commission and the Central Bank of Nigeria.

# REPORT OF THE DIRECTORS

For the Year Ended 31 December, 2025

The Directors have the pleasure of presenting their report on the affairs of Lagos Building Investment Company PLC (LBIC) together with the audited financial statements and Auditor's report for the financial year ended December 31, 2025.

## 1. LEGAL STATUS

Lagos Building Investment Company Plc (LBIC) was initially incorporated as Lagos State Building Corporation in 1980, it attained a limited liability company status in 1991. Following a successful Private Placement, the Authorized Share Capital base of LBIC was increased from ₦100 Million to ₦3 Billion with a Paid-Up Share Capital of ₦2,882,047,223.00. In May 2013, LBIC was registered as a Public Limited Company (PLC) following a resolution of the board of Directors on 29th January 2013. The Authorized Share Capital and the Paid-Up Share Capital of LBIC was further increased from ₦3 Billion to ₦4 Billion and ₦2,882,047,223.00 to ₦3,882,047,223.00 respectively pursuant to the resolution of members at the Annual General Meeting of 6th April, 2017.

## 2. REGULATORS

LBIC has been operating under the Mortgage Institutions Act (MIA) of 1989 as amended, Banks and Other Financial Institutions Act of 2020 (BOFIA), the Companies and Allied Matters Act, the Nigeria Deposit Insurance Corporation Act of 2006, the Securities and Exchange Commission's (SEC) guidelines and rules as well as the Central Bank of Nigeria's (CBN) guidelines for Mortgage Banks.

## 3. PRINCIPAL ACTIVITY

Today, LBIC operates as a State Primary Mortgage Bank with a customer base of over 170,000 cutting across corporate institutions and individuals alike. The Bank's principal activity continues to be the provision of mortgage finance facilities to prospective home owners.

LBIC also provides retail banking facilities with a wide range of product and services (savings and loans). The Bank is the sole mortgage administrator to the Lagos State Government Home Ownership Scheme (Lagos HOMS).

## 4. BRANCHES

LBIC operates two branches at Abesan and Central Business District (CBD), Alausa in Lagos State.

## 5. OPERATING RESULTS

The following is an highlight of the Bank's operating results for the year : -

	Dec-2025 ₦000	Dec-2024 ₦000	%
<b>Gross Earning</b>	<b>3,565,156</b>	<b>2,537,099</b>	41
Profit Before Income Tax Expenses	1,655,957	1,160,742	43
Income Tax Expense	(604,705)	(372,160)	62
Profit After Income Tax Expenses	<b>1,051,252</b>	<b>788,582</b>	33
Basic Earnings Per Share (Kobo)	<b>27.08</b>	<b>20.31</b>	

## 6. DIVIDEND

The Board via a resolution dated 26 February, 2026 recommended the payment of dividend of 6.8k per share for the year under review (2024 - 6.12k per share at ₦237,581,290.05) and a scrip dividend of 2 units of shares for every 15 units held as at the financial year ended 31 December 2025 to the shareholders' for approval.

## 7. DIRECTORS

The following are the names of the Directors as at the date of this Report and those who held office during the

DIRECTORS	CAPACITY	REMARK
Mr Hakeem Ogunniran	Chairman	Appointed on 10th June 2020
Mr. Olusola Faleye	Managing Director	Appointed on 1st June 2024
Mr Femi Adewole	Independent Non-Executive Director	Appointed on 27th June 2019
Mrs Bolanle Banjo	Non-Executive Director	Appointed on 10th June 2020
Mr Adewale Okesola	Non-Executive Director	Appointed on 10th June 2020
Mr Afolabi Omilabu	Executive Director	Appointed on 1st December 2020
Mr Layiwola Okoya	Executive Director	Appointed on 1st February 2021
Mr 'Tunde Owolabi	Independent Non-Executive Director	Appointed on 29th October 2021

## 8 EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT (PPE)

The total expenditure on property, plant and equipment during the year was ₦1,153,099,559 (2024: ₦218,467,760). The expenditure was for replacement of office equipment, computer and electronics, furniture and fixtures and motor vehicles.

## 9. DIRECTORS INTEREST IN THE SHARES OF LAGOS BUILDING INVESTMENT COMPANY PLC

The interest of Directors in the issued ordinary share capital of the Bank is as recorded in the Directors Register of shareholdings and as notified by the directors for the purpose of the provisions of section 301 of the Companies and Allied Matters Act 2020 is as follows:

S/N	NAME	HOLDINGS
1	MR. HAKEEM OGUNNIRAN	NIL
2	MR. OLUSOLA FALEYE	100,000
3	MR. AFOLABI OMILABU	NIL
4	MR. FEMI ADEWOLE	NIL
5	MRS. BOLA BANJO	NIL
6	MR. ADEWALE OKESOLA	NIL
7	MR. LAYIWOLA OKOYA	NIL
8	MR. 'TUNDE OWOLABI	NIL

## 10. DIRECTORS INTEREST IN CONTRACT

None of the Directors have informed the Company for the purpose of Section 303 of the Companies and Allied

Matters Act 2020, of any disclosable interest in contracts with which the company was involved during the year ended December 31, 2025.

## 11. ANALYSIS OF SHAREHOLDING

As at the reporting date, the Company did not acquire any of its own shares. According to the Register of members, the following Shareholder held more than 5% of the Issued Ordinary Share Capital of the Bank as at the reporting date:

NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
Lagos State Government	3,355,200,000	86.43

## SHAREHOLDING RANGE ANALYSIS

The shareholding range of the company as at December 31, 2025 is as shown below:

LAGOS BUILDING INVESTMENT COMPANY PLC SHAREHOLDING RANGE ANALYSIS AS AT 31 DECEMBER, 2025								
			Shareholders			Holdings		
Range			N0. of Holders	Holders %	Cumulative Number of Holders	Units	%	Units Cumulated
1	-	1000	47	3.46	47	20,908	0	20,908
1,001	-	5,000	22	1.62	69	63,372	0	84,280
5,001	-	10,000	4	0.29	73	26,520	0	110,800
10,001	-	50,000	4	0.29	77	145,746	0	256,546
50,001	-	100,000	853	62.81	930	85,266,753	2.20	85,523,299
100,001	-	500,000	333	24.52	1,263	92,215,977	2.38	177,739,276
500,001	-	1,000,000	44	3.24	1,307	37,778,977	0.97	215,518,253
1,000,001	-	5,000,000	38	2.80	1,345	89,000,712	2.29	304,518,965
5,000,001	-	10,000,000	5	0.37	1,350	41,068,258	1.06	345,587,223
10,000,001	-	50,000,000	7	0.52	1,357	181,260,000	4.67	526,847,223
50,000,001	-	Above	1	0.07	1,358	3,355,200,000	86.43	3,882,047,223
	-		<b>1,358</b>	<b>100</b>		<b>3,882,047,223</b>	<b>100.00</b>	

## 13. EMPLOYMENT AND EMPLOYEES

The bank operates a non-discriminatory policy in its consideration of applications for employment. The Bank's policy is that the most qualified persons are recruited to fill available vacancies thus, all prospective employees, irrespective of their gender and whether physically challenged or not, are given equal opportunities relative to their respective skills set and abilities to develop their competencies in furtherance of their careers.

### 13.1 Health, Safety and Welfare

The health, safety and welfare of the Bank's employees is prioritized. Thus, necessary health and safety regulations are in force within the Bank's premises; Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank, while appropriate and regular training on the use of the equipment are carried out. In the same vein, the Bank has a comprehensive health insurance scheme for its staff, through which the medical needs of respective staff and their immediate family members are met.

The Bank operates a contributory pension plan in accordance with the Pension Reform Act, 2004, wherein it contributes 10% of employees' total emolument to the designated pension fund administration chosen by each employee. As a part of the scheme, the Bank also remits employees' contribution of 8% of the relevant compensation to the same account.

### 13.2 Employee Involvement and Training

The Bank is committed to ensuring that its employees are properly informed about its performance and progress and on matters which particularly affect them as employees. The Bank encourages participation of its employees in arriving at decisions in respect of matters affecting their well-being. To this end, the Bank provides formal and informal opportunities where employees deliberate on issues affecting the Bank and employees' interest, with a view to making inputs and decision thereon. The MD/CEO operates an open door policy and encourages employees to channel suggestions and complaints to him as may be required in the circumstance.

The Bank places a premium on the development of its manpower. The Bank also appreciates technical expertise of personnel as its major assets and often organizes in-house and external (both local and foreign) training for its employees. The emphasis on training is to prepare employees for new and/or unfamiliar jobs as well as to enhance their efficiency in their current roles. The Bank also provides for the development of managerial skills by broadening and improving the skills. The Human Capital Management Department also readily addresses issues relevant to employees' welfare and career satisfaction.

### 14. DONATION

In the year under review, the Bank in line with its Corporate Social Responsibility donated the following:

- The sum of ₦100,000 (One Hundred Thousand Naira only) donated to Community Central Mosque.
- The sum of ₦250,000 (Two Hundred and Fifty Thousand Naira only) towards Support for Anti-Corruption Conference-Fight Against Corruption

- The Sum of ₦5,000,000 (Five Million Naira Only) Support in favour of Dreams Come True.

### 15. External Auditors

Messrs. Gbenga Badejo & Co. (Chartered Accountants), having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria, 2020 therefore, the auditor will be re-appointed at the next annual general meeting of the Company.

### 16. EVENTS AFTER THE REPORTING DATE

BOARD MEMBERS' ATTENDANCE FOR Q1 2026	
Name of Directors	Number of meetings
Mr. Hakeem Ogunniran	1
Mr. Olusola Faleye	1
Mr. Afolabi Omilabu	1
Mr. Layiwola Okoya	1
Mr. Femi Adewole	1
Mrs. Bola Banjo	1
Mr. Adewale Okesola	1
Mr. Tunde Owolabi	1

### 18. FRAUD AND FORGERIES

The Directors hereby report that there was no case of fraud and forgery in the bank during the year ended December 31, 2025.

### BY ORDER OF THE BOARD



**Oladunni Ogunsulire**

**Company Secretary**

**FRC/2019/PRO/ICSAN/002/00000019429**

**DATE: 26 February, 2026**

## REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF LAGOS BUILDING INVESTMENT COMPANY PLC

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters Act 2020, the CBN Code of Corporate Governance and the Financial Reporting Council of Nigeria 2023, the members of Statutory Audit Committee of Lagos Building Investment Company PLC hereby report as follows:

We have exercised our statutory functions under section 404 (7) of the Companies and Allied Matters Act, 2020 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the 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 December 31, 2025 were satisfactory and reinforce the bank's internal control systems.

We have deliberated on the findings of the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the bank's system of accounting and internal control.



**Mr Thomas Folorunsho**

Chairman, Audit Committee

FRC/2024/PRO/ICAN/002/151547

**DATE: 26 February, 2026**

AUDIT COMMITTEE MEMBERS			
1.	Mr. Thomas Folorunsho	Shareholder Representative	Chairman, Audit Committee
2.	Mrs. Bolanle Banjo	Non-Executive Director	Member
3.	Mr. Adewale Okesola	Non-Executive Director	Member
4.	Mr. Abiodun Alababan	Shareholder Representative	Member
5.	Mr. Lukmon Adesola Adelokun	Shareholder Representative	Member

# CERTIFICATION OF ACCOUNT PURSUANT TO SECTION 60, INVESTMENTS AND SECURITIES ACT 2007

FOR THE YEAR ENDED 31 DECEMBER, 2025

We **Olusola Faleye** and **Afolabi Omilabu** being the Chief Executive Officer and Finance Director respectively of Lagos Building Investment Company Plc in compliance with section 60 of the Investments and Securities Act, 2025 and with regard to the audited financial statements for the year ended December 31, 2025 now submitted to the Commission, hereby certify that:

- (a) We have reviewed the report;
- (b) Based on our knowledge, the report does not contain;
  - (i) Any untrue statement of a material fact, or
  - (ii) Omit to state a material fact, which would make the statement misleading in the light of the circumstances under which such statement was made;
- (c) Based on our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of and for the period presented in the report;
- (d) We:
  - i) are responsible for establishing and maintaining internal controls.
  - ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to us by others within the company particularly during the financial year ended December 31, 2025
  - iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report.
  - iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the Auditors of the company and Audit Committee:
  - i. All significant deficiencies in the design or operation of internal control which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's Auditors any material weakness in internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Certified by:



**Afolabi Omilabu**

Executive Director

FRC/2017/PRO/DIR/003/00000016889

DATE: 27 February, 2026



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

DATE: 27 February, 2026

# STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER, 2025

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require the Directors' to prepare financial statements for each financial year that gives a true and fair view of the state of the financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a Keeps proper accounting records that disclose with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act.
- b Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c Prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgement and estimates that are consistently applied.

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

- Financial Reporting Council of Nigeria Act;
- Prudential Guidelines for Licensed Mortgage Banks as issued by the Central Bank of Nigeria;
- The requirements of the Bank and Other Financial Institutions Act;
- The requirements of the Companies and Allied Matters Act;
- The requirements of the Investment and Securities Act; and
- The rules and regulations of Securities and Exchange Commission.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of the financial performance and cash flows for the period. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.


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



**Afolabi Omilabu**  
Executive Director

FRC/2017/PRO/DIR/003/00000016889

**DATE: 27 February, 2026**



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

**DATE: 27 February, 2026**

# STATEMENT OF CORPORATE RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER, 2025

We, Olusola Faleye and Afolabi Omilabu being the Chief Executive Officer and Finance Director respectively of Lagos Building Investment Company Plc, in compliance with Section 405 of the Companies and Allied Matters Act (CAMA) 2020 and with regard to the audited financial statements for the year ended December 31, 2025 now submitted to the Commission hereby certify that:

We have reviewed the audited financial statements of Lagos Building Investment Company Plc for the financial year ended December 31 2025, and to the best of our knowledge:

The financial statements do not contain any untrue statement of material fact or omit to state a material fact that would make the statements misleading.

The financial statements and other financial information included therein fairly present, in all material respects, the financial condition and results of operations of the company as of and for the periods covered by the audited financial statements.

We are responsible for establishing and maintaining internal controls and have:

Designed such internal controls to ensure that material information relating to the company is made known to us.

Evaluated the effectiveness of the company's internal controls within 90 days prior to the date of the audited financial statements.

Disclosed to the company's auditors and audit committee any significant deficiencies in the design or operation of internal controls that could adversely affect the company's ability to record, process, summarize, and report financial data, as well as any material weaknesses in internal controls.

We have disclosed to the company's auditors and audit committee any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls.

We have indicated in the report whether there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Certified by:



**Afolabi Omilabu**

Executive Director

FRC/2017/PRO/DIR/003/00000016889

**DATE: 26 February, 2026**



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

**DATE: 26 February, 2026**


# CERTIFICATION OF MANAGEMENT ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

FOR THE YEAR ENDED 31 DECEMBER, 2025

To comply with the provisions of Section 1.1 of SEC Guidance on implementation of sections 60-63 of Investments and Securities Act 2025, I hereby make the following statements regarding the Internal Controls of LAGOS BUILDING INVESTMENT COMPANY PLC for the year ended 31 December 2025.

I, **Olusola Faleye**, certify that;

- a I have reviewed this Management assessment on internal control over financial reporting of LAGOS BUILDING INVESTMENT COMPANY PLC.
- b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c Based on my knowledge, the financial statements, and the 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 and as of, and for, the period presented in this report.
- d The entity's other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, during the period in which this report is being prepared;
  - 3) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this 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 entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
  - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f The entity's other significant certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

**DATE: 26 February, 2026**

# CERTIFICATION OF MANAGEMENT ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

FOR THE YEAR ENDED 31 DECEMBER, 2025

To comply with the provisions of Section 1.1 of SEC Guidance on implementation of sections 60-63 of Investments and Securities Act 2025, I hereby make the following statements regarding the Internal Controls of LAGOS BUILDING INVESTMENT COMPANY PLC for the year ended 31 December 2025.

I, **Afolabi Omilabu**, certify that;

- a I have reviewed this Management assessment on internal control over financial reporting of LAGOS BUILDING INVESTMENT COMPANY PLC.
- b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c Based on my knowledge, the financial statements, and the 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 and as of, and for, the period presented in this report.
- d The entity's other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries is made known to us by others within those entities, during the period in which this report is being prepared;
  - 3) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this 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 entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
  - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f The entity's other significant certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Afolabi Omilabu**

Executive Director (Finance & Operation)

FRC/2017/ICAN/00000016889

**DATE: 26 February, 2026**

# MANAGEMENT'S ANNUAL ASSESSMENT OF AND REPORT ON LAGOS BUILDING INVESTMENT COMPANY PLC'S INTERNAL CONTROL OVER FINANCIAL REPORTING

FOR THE YEAR ENDED 31 DECEMBER, 2025

To comply with the provisions of Section 1.3 of SEC Guidance on implementation of sections 60-63 of Investments and Securities Act 2025, We hereby make the following statements regarding the Internal Controls of LAGOS BUILDING INVESTMENT COMPANY PLC for the year ended 31 December 2025.

- i. LAGOS BUILDING INVESTMENT COMPANY PLC'S management is responsible for establishing and maintaining a system of internal control over financial reporting (ICFR) that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with international Financial Reporting Standards.
- ii. LAGOS BUILDING INVESTMENT COMPANY PLC'S management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control – Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii. LAGOS BUILDING INVESTMENT COMPANY PLC'S management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.
- iv. LAGOS BUILDING INVESTMENT COMPANY PLC'S external consultants Akapo Consulting Concepts included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Akapo Consulting Concepts will be filed as part of LAGOS BUILDING INVESTMENT COMPANY PLC'S annual report.



**Afolabi Omilabu**

Executive Director

FRC/2017/PRO/DIR/003/00000016889

**DATE: 26 February, 2026**



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

**DATE: 26 February, 2026**



March 2026

## **REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LAGOS BUILDING INVESTMENT COMPANY ('LBIC') PLC FOR THE YEAR-ENDED DECEMBER 31, 2025**

Kaizen Academy Limited ("Kaizen") served as Independent External Consultants to Lagos Building Investment Company Plc ("LBIC" or "the Company") in conducting an evaluation of the performance and effectiveness of the Board of Directors and its Committees for the year ended 31 December 2025. The engagement was carried out in accordance with the requirements of Principle 14.1 of the Nigerian Code of Corporate Governance 2018, alongside relevant regulatory frameworks and internationally accepted corporate governance standards.

In undertaking this review, we assessed a broad range of corporate records and governance materials, including statutory and corporate documents, Minutes of Board and Committee meetings, internal policies, and other relevant documentation provided by the Company.

The objective of the evaluation was to determine the extent of the Company's adherence to established corporate governance principles and to assess the overall effectiveness of the Board in the discharge of its oversight responsibilities. The Company's governance framework, policies, and operational practices were benchmarked against applicable provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), the Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG), the Companies and Allied Matters Act 2020 (CAMA), the Code of Corporate Governance for Mortgage Refinance Companies in Nigeria 2019, and other leading global standards.

The assessment was structured around seven core governance pillars, namely: Board Structure and Composition; Strategy and Planning; Board Operations and Effectiveness; Performance Measurement and Monitoring; Risk Management and Compliance; Corporate Citizenship; and Transparency and Disclosure.

The Board retains primary responsibility for establishing and sustaining robust corporate governance systems, policies, and practices to ensure that the Company operates in alignment with its constitutional documents and in compliance with applicable laws and regulatory requirements, thereby promoting long-term sustainability.

Based on our evaluation, we confirm that the Board has, to a significant extent, adhered to the recommended corporate governance practices as prescribed under the relevant codes and regulations. The Board and its individual Directors have demonstrated a strong commitment to effective oversight, strategic direction, and the achievement of the Company's long-term objectives.

Furthermore, our review indicates that the Company's governance practices are broadly consistent with recognized best practices. Notwithstanding the foregoing, certain areas for enhancement were identified. Detailed observations and corresponding recommendations for improvement are set out in our comprehensive report submitted to the Board.

Yours faithfully,

**For: Kaizen Academy Nigeria Limited**



**Lilian Obiageli**

**Chief Operating Officer**

FRC/2022/PRO/NBA/002/00000024174

Board of Directors: Mercy Edukugho-Aminah (Chairman), Favour Udomessien (Managing Director),  
Ayokunle Ayoko (Non-Executive Director) Shofola Osho (Independent Non-Executive Director), Adeola Olumeyan (Independent Non-Executive Director) Aramide Nwokediuko, (Independent Non-Executive Director) Olubukola Olateru (Independent Non-Executive Director)

RC 1530761

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## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

FOR THE YEAR ENDED 31 DECEMBER, 2025

I Akapo Olukayode Josiah of Akapo Consulting Concept certify that. I have reviewed this annual report and financial statement Lagos Building Investment Company Plc (the Bank).

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 this circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial conditions, results of operations and cash flows of Lagos Building Investment company plc as of, and for, the period ended 31 December 2025;

The bank's certifying officers,

- 1) Are responsible for establishing and maintaining internal controls;
- 2) Have designed such internal controls and procedures under my supervision, to ensure that material information relating to the bank is made known to me during the period of my review
- 3) Have designed such internal controls and procedures under my supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
- 4) Have evaluated the effectiveness of the banks internal controls and procedures, as at 31st December 2025 and presented in this report our conclusions about the effectiveness of the internal controls and procedures as at December 31 2025 based on such conclusions

The bank's officers and I have disclosed, based on our most recent evaluation of internal control system to the bank's external auditors and the audit committee of the board of directors.

- 1) All significant deficiencies and material weaknesses in the design or operations of the internal control system which are reasonably likely to adversely affect the bank's ability to record, process, summarise and report financial information, and
- 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the banks internal control system,

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



**AKAPO, OLUKAYODE JOSIAH**

Chief Consulting Officer.

FRC/2015/PRO/ICAN/001/00000012746.

**DATE: 16 February, 2026**



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LAGOS BUILDING INVESTMENT COMPANY PLC

We have audited the accompanying Financial Statements of Lagos Building Investment Company PLC. These financial statements comprises of the Statement of Financial Position as at 31 December, 2025, Statement of Profit or loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows, summary of significant accounting policies and other explanatory notes for the year ended 31 December, 2025.

### OPINION

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Bank as at 31 December, 2025 and (of) its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act 2023, the requirement of the Bank and Other Financial Institutions Act, relevant Central Bank of Nigeria's circulars and guidelines as well as the Companies and Allied Matters Act 2020.

### BASIS FOR OUR OPINION

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

### KEY AUDIT MATTERS

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

Key Audit Matter(s)	How the matter was addressed
<b>Impairment of Loan and Advances</b>	<b>Procedures</b>
An impairment assessment is performed collectively on all other loans, with the key assumptions being the possibility of a loan becoming past due and subsequently defaulting, and the loss given default. The impairment requires the application of significant judgement by management including the application of industry knowledge and prevailing economic conditions in arriving at the level of the impairment allowance required.	Our audit procedures included the following: We evaluated and tested the key controls over the impairment determination process such as the credit committee review and monitoring of the performance of loan and advances including timely identification of impairment triggers.

Key Audit Matter(s)		How the matter was addressed
<p><b>Impairment of Loan and Advances</b></p> <p>During the financial year, the banking sector witnessed a combination of macroeconomic indicators, global oil prices rose resulting in stable government revenue and improvement in foreign currency reserve in Nigeria. This economic recovery is expected to improve the ability of the mortgage bank customers to meet credit obligations as they fall due. Thus, resulting to moderate judgement to determine the allowance for impairment of loan and advances granted to the mortgage bank customers.</p>		<p><b>Procedures</b></p> <p>For the loans specifically impaired, we re-performed the calculations of impairment and compared the key data inputs to relevant sources. We checked amounts included for collateral to valuation reports, discount rates to the effective interest rate of the loan and evaluated the appropriateness of the realization period of the collateral.</p>
<p>An impairment assessment is performed collectively on all other loans, with the key assumptions being the possibility of a loan becoming past and due and subsequently defaulting, and the loss given default. The impairment requires the application of significant judgement by management including the application of industry knowledge and prevailing economic conditions in arriving at the level of the impairment allowance required.</p>		<p>We assessed the methodology used by the mortgage Bank to calculate the likelihood of loans and advances with different profiles moving into default and recalculated these default rates based on our cumulative knowledge of the mortgage bank's actual historical experience and current circumstances.</p>

### Other information in the Annual Report

The directors are responsible for the other information. The other information comprises all the information in the Lagos Building Investment Company PLC's 2025 annual report other than the Bank's financial statements and our auditor's report thereon ("the Other Information").

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

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

## **Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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

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

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

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

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

We also provided the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Report on other legal requirements**

The Companies and Allied Matters Act 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

### **Compliance with section 27(2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria's circular BSD/1/2004**

- i. The Bank did not guarantee any loans in favour of directors and officers of the bank. Similarly no loans were made to the directors for the purchase of the bank's shares.
- ii. As disclosed in Note 34 to the financial statements, the bank did not pay penalties in respect of contraventions of any sections of the Banks and other Financial Institutions Act (BOFIA) and circulars issued by the Central Bank of Nigeria during the year ended 31 December 2025.

The Engagement Partner on the audit resulting in this independent auditor's report is :-



**Emmanuel Ogiaga, FCA**

FRC/2021/PROF/00000024269

Gbenga Badejo & Co.,  
(Chartered Accountants),  
Lagos State, Nigeria.

**DATE: 26 February, 2026**



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2025

		Dec 25	Dec 24
	Note	₦000	₦000
<b>Gross Earnings</b>		<b>3,565,156</b>	<b>2,537,099</b>
Interest Income	5a	2,536,293	1,610,487
Interest Expenses	5b	(304,538)	(194,702)
<b>Net Interest Income</b>		<b>2,231,755</b>	<b>1,415,784</b>
Loan impairment (charges)/write-back	10	(12,562)	(3,127)
<b>Net interest income after loan impairment charges</b>		<b>2,219,193</b>	<b>1,412,657</b>
Fee and Commission Income	6	542,407	447,315
Net Trading Income	7	486,456	479,297
<b>Net fee, commission and trading income</b>		<b>1,028,863</b>	<b>926,612</b>
<b>Net Operating Income</b>		<b>3,248,055</b>	<b>2,339,270</b>
Operating Expenses	9	830,287	681,200
Personnel Cost	11	609,861	409,135
Depreciation	23	150,187	87,295
Amortization	21	1,763	897
<b>Total Expenses</b>		<b>1,592,098</b>	<b>1,178,528</b>
<b>Profit before Income Tax Expenses</b>		<b>1,655,957</b>	<b>1,160,742</b>
Income Tax Expenses		(604,705)	(372,160)
<b>Profit for the year</b>		<b>1,051,252</b>	<b>788,582</b>
<b>Other Comprehensive Income (OCI):</b>			
Income Tax Expenses on Other Comprehensive Income Items		-	-
<b>Other Comprehensive Income After Tax:</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>1,051,252</b>	<b>788,582</b>
<b>Basic and Diluted EPS (Kobo)</b>		<b>27.08</b>	<b>20.31</b>

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2025

ASSETS	Notes	Dec 25	Dec 24
		₦000	₦000
Cash and Cash Equivalents	15	15,924,990	13,747,658
Financial Assets at Fair value through profit or loss	16	272,723	266,528
Mortgage loans and Advances	18a	2,072,278	793,843
Non-Current assets held for sale	19	-	565,000
Other Assets	20	272,513	129,192
Property, Plant and Equipment	23	2,063,704	1,718,956
Intangible Assets	21	7,346	1,047
<b>Total Assets</b>		<b>20,613,554</b>	<b>17,222,223</b>
<b>Liabilities</b>			
Deposit from Customer	24	13,313,633	11,336,371
Financial Liabilities	22	78,481	80,649
Other Liabilities	25	1,013,802	635,884
Income Tax Liabilities	17	512,267	293,814
Proposed and Payable Dividend	31	263,979	-
<b>Total Liabilities</b>		<b>15,182,162</b>	<b>12,346,718</b>
<b>Equity</b>			
Ordinary Share Capital	26	3,882,047	3,882,047
Share Premium	27	119,802	119,802
Statutory Reserve	30	424,090	213,839
Fair Value Reserve- OCI	31	33,055	26,859
Non-Distributable Regulatory Reserve	34	41,752	39,127
Scrip Issuance Reserve	29	524,076	-
Retained Earnings	28	406,571	593,830
		<b>5,431,392</b>	<b>4,875,505</b>
<b>Total Equity and Liabilities</b>		<b>20,613,554</b>	<b>17,222,223</b>

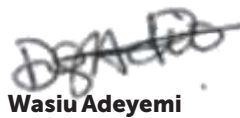
The accompanying Financial Statements were approved and authorised for issue by the Board of Directors on 26 February, 2026 and were signed on its behalf by:



**Afolabi Omilabu**

Executive Director

FRC/2017/PRO/DIR/003/00000016889



**Wasiu Adeyemi**

Financial Controller

FRC/2018/ICAN/00000018524



**Olusola Faleye**

Managing Director

FRC/2025/PRO/DIR/003/178116

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2025

	Ordinary Share Capital	Fair Value Reserve	Share Premium	Non-Distributable Regulatory Risk Reserve	Statutory Reserve	Scrip Issuance Reserve	Retained Earnings	Total Equity
	₦000	₦000	₦000	₦000	₦000	₦000	₦000	₦000
<b>As at 1 January, 2025</b>	<b>3,882,047</b>	<b>26,859</b>	<b>119,802</b>	<b>39,127</b>	<b>213,839</b>	<b>-</b>	<b>593,830</b>	<b>4,875,505</b>
Profit for the year	-	6,195	-	-	-	-	1,051,252	1,057,448
Transfer (to)/from regulatory risk reserve	-	-	-	2,625	-	-	(2,625)	-
Transfer to Statutory Reserve	-	-	-	-	210,250	-	(210,250)	-
Transfer to Scrip Issuance Reserve	-	-	-	-	-	524,076	(524,076)	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>3,882,047</b>	<b>33,055</b>	<b>119,802</b>	<b>41,752</b>	<b>424,090</b>	<b>524,076</b>	<b>908,131</b>	<b>5,932,953</b>
<b>Transactions with owners</b>								
Issue of Ordinary Shares	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	(501,561)	(501,561)
	-	-	-	-	-	-	<b>(501,561)</b>	<b>(501,561)</b>
<b>Balance at 31 December 2025</b>	<b>3,882,047</b>	<b>33,055</b>	<b>119,802</b>	<b>41,752</b>	<b>424,090</b>	<b>-</b>	<b>406,571</b>	<b>5,431,392</b>
<b>Balance at 1 January 2024</b>								
<b>Balance at 1 January 2024</b>	<b>3,882,047</b>	<b>26,859</b>	<b>119,802</b>	<b>36,850</b>	<b>56,123</b>	<b>-</b>	<b>(34,758)</b>	<b>4,086,923</b>
Profit for the year	-	-	-	-	-	-	788,582	788,582
Transfer (to)/from regulatory risk reserve	-	-	-	2,277	-	-	(2,277)	-
Transfer to Statutory Reserve	-	-	-	-	157,716	-	(157,716)	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>3,882,047</b>	<b>26,859</b>	<b>119,802</b>	<b>39,127</b>	<b>213,839</b>	<b>-</b>	<b>593,830</b>	<b>4,875,505</b>
<b>Transactions with owners</b>								
Issue of Ordinary Shares	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>3,882,047</b>	<b>26,859</b>	<b>119,802</b>	<b>39,127</b>	<b>213,839</b>	<b>-</b>	<b>593,830</b>	<b>4,875,505</b>

# STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER, 2025

	Notes	Dec 25	Dec 24
		₦000	₦000
<b>Cash Flow from Operating Activities</b>			
Cash Generated from Operations	35	2,557,291	7,950,409
Tax Paid	17b	(227,444)	(305,363)
<b>Net Cash from Operating Activities</b>		<b>2,329,846</b>	<b>7,645,046</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	23	(1,153,865)	(218,468)
Acquisition of Intangible Asset		(8,062)	-
(Acquisition)/Disposal of Non-Current Assets Held for Sales	19	568,314	157,369
(Acquisition)/Disposal of Financial Assets	16	-	(98,750)
Disposal of Investment Property	19b	657,490	-
Dividend Received	7	17,636	13,280
Proceed from Disposal of Fixed Assets		3,555	772
<b>Net Cash flow used in Investing Activities</b>		<b>85,068</b>	<b>(145,797)</b>
<b>Cash Flow from Financing Activities</b>			
Financial Liabilities (NHF Loans Received)		-	-
Dividend Paid		(237,581)	-
<b>Net Cash flow (used in)/generated from Financing Activities</b>		<b>(237,581)</b>	<b>-</b>
<b>Increase in Cash and cash equivalent</b>		<b>2,177,332</b>	<b>7,499,249</b>
Cash and Cash Equivalents at the beginning of the year		13,747,658	6,248,409
<b>Cash and Cash Equivalents at the end of the year</b>		<b>15,924,990</b>	<b>13,747,658</b>
<b>Cash and Cash Equivalent comprises</b>			
Cash and Bank Balances	15	470,795	582,472
Placement with Other Banks	15	15,454,195	13,165,186
<b>Cash and Cash Equivalents at the end of the year</b>		<b>15,924,990</b>	<b>13,747,658</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2025

## 1. Reporting Entity

LBIC PLC (the 'Company' or the 'Bank') was registered in Nigeria in 1980. The company's registered office is Plot 1 ASSBIFI Road, Central Business District, Alausa, Ikeja, Lagos State. The Bank is exploring ways to enhance sustainable growth in order to maximise returns on its assets including but not limited to subsidiary operations within the Regulatory framework, in a legally and efficient manner.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, the requirements of the Companies and Allied Matters Act and with the Banks and other Financial Institutions Act. The financial statements have been prepared on a historical cost basis except for investment in quoted equities which are carried at fair value.

#### (a) Going Concern

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of the financial statements as the capital base of the Company is within the statutory requirements of the Central Bank of Nigeria.

#### (b) Functional and presentation currency

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

#### (c) Basis of measurement

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

- Financial instruments at fair value through profit or loss are measured at fair value.
- Financial assets measured at fair value through OCI

- Inventory of properties is measured at the lower of cost and net realizable value.

#### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS require management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which forms the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of adjustment are discussed in the notes to the accounts.

### 2.2 Accounting Policy and disclosures

The following standards, accounting policies set out below have been consistently applied in all periods presented in these financial statements.

#### (a) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Bank entities at the exchange rates on the dates of the transactions. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period

using the rates prevalent at the beginning, adjusted for effective interest and payments during the period, and the amortized cost in the functional currency at the period end using the rates prevalent at the period end.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available - for - sale equity instruments, which are recognized directly in equity. Non -monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### **(b) Interest**

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs, and mortgages that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include:

- Interest on financial assets and liabilities measured at amortized cost calculated on an effective interest rate basis.

- Interest on available -for -sale investment securities calculated on an effective interest basis. Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other financial assets and liabilities carried at fair value through profit or loss, are presented in net trading income from other financial instruments and carried at fair value through profit and loss in the statement of profit or loss.

#### **(c) Fees and commission**

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.

Other fees and commission income, are recognized as the related services are performed.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

#### **(d) Net Trading Income**

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, dividends and foreign exchange differences.

#### **(e) Net Income from other financial instruments at fair value through profit or loss**

Net income from other financial instruments at fair value through profit or loss financial assets and liabilities are designated at fair value through profit or loss, and include all realized and unrealized fair value changes, interest, dividends and foreign exchange differences.

#### **(f) Dividends**

Dividend income is recognized when the right to receive income is established. Dividends on trading equities are reflected as a component of net trading income, net income from other financial

instruments at fair value through profit and loss or other operating income based on the underlying classification of the equity investment. Dividend income on securities are recognized as a component of other operating income.

### **(g) Income Tax expense**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity through other comprehensive income, in which case it is recognized in equity.

#### **(I) Current Tax**

Current tax is the expected tax payable on taxable income for the year determined in accordance with the Companies Income Tax Act (CITA), using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### **(II) Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is provided for using the balance sheet liability method. Deferred tax is not recognized for the following temporary differences:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

### **(h) IFRS 9 - Financial Instruments**

In accordance with the provisions of IFRS 9, the Bank recognises, classifies and measures financial assets and financial liabilities and impairment of financial assets in line with the standard.

Classification and Measurement - IFRS 9 requires financial assets to be classified into one of three measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost.

Financial assets is measured at amortised cost if they are held within a business model with the objective to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets is measured at fair value through other comprehensive income if they are held within a business model with the objective of both collecting contractual cash flows and selling the financial assets, and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss.

An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

## **(I) Expected Credit Loss (ECL) Impairment Model**

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

LBIC Plc has built its own ECL model appropriate for its size and complexity, and supported by historical, current and forecast data of relevance. Management's judgment and understanding of business risks played an equally important role in validating the inputs and output of the ECL model. LBIC Plc adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- **Stage 1** – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

All staff loans are less than 12 months tenor and the staff are still in the employment of the bank, LBIC Plc will not subject the staff loan to impairment.

- **Stage 2** – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- **Stage 3** – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward-looking information will also be used in determining the stage allocation. In general, assets more than 90 days past due, but not credit impaired, will be classed as stage 2. IFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions. The Bank has developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes.

### **Measurement of Expected Credit Losses**

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

- **Lifetime PDs** – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.

- **EAD** – The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

#### **Forward Looking Information (FLI)**

A key addition to impairment under IFRS 9 in comparison to IAS 39 is the introduction of forward-looking information (FLI) and macroeconomic estimates into the computation. The standard requires the computation of ECL to also reflect an unbiased and Probability-Weighted amount that is determined by evaluating a range of possible outcomes of FLI estimates.

A simplifying assumption; the standard recommends a minimum number of 2 scenarios but 3 scenarios have been adopted in our model. Each of these scenarios (SC) have been assigned a probability (PRsc) indicating their likelihood of occurrence. The 3 scenarios reflect FLI estimates that indicate the following outlook on the direction of the economy;

1. Best Case (Alternate A)
2. Most Likely (Baseline)
3. Worst Case (Alternate B)

#### **Portfolio Segmentation**

In line with IFRS, the Bank groups its financial assets into homogenous groups with similar credit risk characteristics for the purpose of credit risk parameters calculation. In this Methodology, the process of grouping the portfolio is further referred to as portfolio segmentation.

For the purpose of practical implementation, it is assumed that exposures with similar risk profile are allocated to the same risk portfolio, and further to the same risk group within the portfolio. A single risk group within the given portfolio is assumed to be the homogenous group of assets according to the IFRS definition.

The segmentation criteria are usually based on expert judgment and experience of the Bank's employees, supported by historical data where necessary. The general segmentation criteria are presented below:-

#### **Risk Portfolios**

The segmentation into risk portfolios is based on client segments at product levels. For the segmentation, exposures are subdivided based on product types, e.g. Mortgage, NHF Loan, Overdraft.

#### **Risk groups**

Each risk portfolio is further divided into risk groups based on:  
DPD (Days Past Due) intervals (applicable only for non-defaulted exposures and defaulted exposures), Internal client rating

Additionally, the following rules are applicable for the risk group segmentation process:

On the default identification approach, days past due (DPD) are examined at the transaction level. The following conditions are taken into account:

DPD at the transaction level is counted from the date, on which any part of the exposure becomes due, regardless of the amount of due exposure. Overdue amount is compared to the materiality threshold. Overdue amount is calculated at the transaction level in line with the point stated above, taking into account the following conditions:

Overdue amount at the transaction level is the sum of overdue principal, interest and fee balance for the exposure,

For the purpose of ECL parameters calculations the following risk segmentation were determined:

#### o Performing Risk Groups

- RG1 – When  $DPD \leq 30DAY\_PAST\_DUE$
- RG2 – When  $DPD > 30DAY\_PAST\_DUE$  &  $\leq 90 DAYS\_PAST\_DUE$

#### o Defaulted Risk Groups

- RG3 – When  $DPD > 30DAYS\_PAST\_DUE$  &  $< 180DAYS\_PAST\_DUE$
- RG4 – When  $DPD > 180DAYS\_PAST\_DUE$  &
- RG5 – When  $DPD > 360DAYS\_PAST\_DUE$

Grouping of defaulted exposures (risk groups RG3, RG4 and RG5) is based on the number of days in default. Time horizon after default is set individually for each risk portfolio and represent the period after which no material recoveries, other than those from collaterals, are expected. Risk group "RG5" is considered the worst default risk group, in which by definition, no natural cures and repayments are expected. Hence the Bank expects a loss of 100% of exposure not covered by discounted expected recoveries from collateral (DRfC). Only recoveries from collaterals are expected in case of collateralized exposures.

#### (j) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash reserves deposits held by the CBN are also included.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

#### (k) Property, Plant and Equipment

##### (i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and;
- Capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or losses on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss.

#### **(ii) Reclassification to investment property**

When the use of property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognised in the statement of profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive Income and presented in fair value reserve PPE in equity. Any loss is recognised immediately in the statement of profit or loss.

#### **(iii) Subsequent costs**

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the statement of profit or loss as incurred.

#### **(iv) Depreciation**

Depreciation is recognised in the statement of profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations).

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

Buildings	50 years
Plants and machinery	10 years
Motor vehicles	4 years
Furniture & fittings	5 years
Computer equipment	5 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **(v) De-recognition**

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

#### **(l) Non-Current Asset Held For Sale**

Non-current assets held for sale are assets that meet the following criteria 1.They are available for immediate sale. 2.Their sale is highly probable. 3. They are being actively marketed for sale. 4. They are expected to be sold within 12 months from the date of classification. Non-current assets held is measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale shall be tested for impairment at each reporting date. If the asset's carrying amount exceeds its recoverable amount, an impairment loss shall be recognized.

### **(m) Investment Property**

Investment property is an investment in land and building held primarily for generating income or capital appreciation; or both but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of profit or loss. Subsequent expenditure is included in the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in revaluation reserve is transferred to retained earnings.

When the use of an asset changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

### **(n) Inventories**

Inventories are represented by land and building which are held primarily for sale in the ordinary course of business. Inventories are measured at lower of cost and net realisable value.

### **(o) Intangible Asset**

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company 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 the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years.

Amortisation method, useful lives, and residual values are reviewed at each reporting date and adjusted where appropriate.

### **(p) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an

asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss, Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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

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

#### **(q) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a

pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

#### **r) Employee Benefits**

##### **(a) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### **Financial Statements**

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **(b) Post-Employment Benefits Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the period during which the employees have rendered service entitling them to the contributions, Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2004 as amended. Employees and the Company's contributions to the scheme are 8% and 10% respectively of each employee's total emolument. Employees' contributions to the

scheme are funded through payroll deductions while obligations in respect of the Company's contribution to the scheme are recognised as an expense in the statement of profit and loss account on an annual basis.

#### **(s) Contingencies**

##### **(a) Contingent Asset**

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

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realization of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

##### **(b) Contingent Liability**

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits are probable is recognised except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

Commissions and fees charged for services rendered are recognised in the accounting period in which the services were rendered.

Revenue is recognised on a straight-line basis over the specified period.

#### **(t) Share Capital and Reserves**

##### **(i) Share Issue Costs**

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

##### **(ii) Dividend on Ordinary Shares**

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

#### **(u) Earnings Per Share**

The Company presents ordinary basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. 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. Capital Management**

LBIC Plc's objectives in managing capital are:

- i To comply with the capital requirements set by the Central Bank of Nigeria
- ii To safeguard the Bank's ability to continue as a going concern and
- iii To maintain an optimal capital structure suitable for the bank's business strategy.

The Bank's capital management approach is driven by its strategy and organizational requirements, considering the regulatory and commercial environment in which it operates. It is the bank's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

## 4. RISK MANAGEMENT

### 4.1 Enterprise Risk Management

The Bank implements an Enterprise Risk Management program that is directly related to strategy setting and embedded in execution processes. It takes a comprehensive view of risk from both operational and strategic perspectives, supporting reduction of uncertainties and promoting the exploitation of opportunities in a cost-effective manner.

As part of its risk management policy, the Bank segregates duties between market-facing business units and risk management functions while management is governed by well-defined policies, which are clearly communicated across the bank.

Appropriate controls are embedded in each business process and activity while the risk department provides proactive support to the risk owners.

#### 4.1.1 Risk Management Framework



The Bank's Risk Management Framework is built on a well-defined organizational structure and policies. The aim of the framework is to provide all staff of the Bank with the appropriate guidance to ensure that the actions and activities of the Bank with respect to risk

management are consistent with the need to meet its business strategy and objectives, competitive challenges and regulatory requirements. The issues covered in the policy are integral to the processes of identification, assessment, measurement, monitoring, mitigation, control and reporting of risk exposures.

The key elements of the Bank's Enterprise Risk Management addressed in the policy framework include:

- The Bank's risk philosophy, culture and objectives;
- The Bank's risk management governance framework;
- The Bank's risk management stakeholders and development of an action plan to meet their expectations;
- Establishment of policies and procedures to identify, measure, monitor, control and report the risks the Bank faces;
- Processes for identifying and evaluating risks in new products and markets
- Stress testing and capital management;
- Training in Risk Management;
- Management Information and Application Architecture

In developing the policy framework, significant emphasis was placed on:

- establishing a strong, independent risk management function to champion, coordinate and monitor the enterprise-wide risk methodology across the Bank;
- formally assigning accountability and responsibility for risk management; and
- breaking the Bank's risk universe down into manageable, tailored, well-resourced and specialized components.

The Enterprise Risk Management (ERM) policy is complementary to other specific risk management frameworks and policies such as credit risk, market risk, liquidity risk, operational risk, strategic risk, reputational risk, legal risk, compliance risk etc. and does not replace them. It brings all these various elements together, enabling the bank to have a holistic view and management of its risk exposures.

## 4.2 Risk Culture

- a) The Risk and Compliance (R and C) Department provide a centralized oversight of risk management across the Bank such that the full spectrum of risks facing it are properly identified, measured, monitored and controlled to minimize adverse outcomes.
- b) Risk management is a shared responsibility. Therefore, the Bank continually builds a shared standpoint on risks that are grounded on consensus.
- c) There is clear segregation of duties between market-facing business units and risk management functions.
- d) Risk related issues are taken into consideration in all business decisions.
- e) The R and C department co-ordinates the monitoring and reporting of all risks across the Bank. Without prejudice to the above, the Internal audit function reports to the Board Audit Committee and provides independent validation of the business units in compliance with risk policies and procedures, and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

## 4.3 Risk Management Approach

The Bank manages its risks in a structured, systematic and transparent manner through Enterprise risk management policy which embeds comprehensive risk management processes into the Bank's organizational structure, risk measurement and monitoring activities.

The Board drives the risk governance and compliance process through its committees. The audit committee provides oversight on the systems of internal control and financial reporting. The Board credit committee reviews the credit policies and approves all loans above the limits of Management Credit Committee. The Board Risk Committee sets the risk philosophy, policies and strategies as well as providing guidance to management of the various risk elements.

The Board Risk Committees are supported by Management Risk Committee, Management Credit Committee and Assets and Liabilities Committee that help the Committee develop and implement various risk strategies. The Credit committee manages the credit

approval and documentation activities. It ensures that the credit policies and procedures align with the Bank's business objectives and strategies. The Risk Management Committee drives the operational risks, compliance risk, strategic and reputational risks. The Assets and Liabilities Committee drives the Market and Liquidity management of the bank.

The main characteristics of the Bank's risk management policy are:

- a. The Board of Directors provide overall risk management oversight;
- b. The Board approves risk policy and risk limits;
- c. Risk management is embedded in the Bank's process;
- d. The Bank's risk management function is independent of the business divisions;
- e. The individuals who take or manage risks clearly understand it;
- f. The Bank's risk exposures are within the appetites established by Board of Directors;
- g. Risk taking decisions are in line with the business strategy and objectives set by the Board of Directors;
- h. The expected payoffs compensate for the risks taken;
- i. Risk taking decisions are explicit and clear;
- j. Sufficient capital as a buffer is available to take risk;
- k. Compliance risk is monitored accordingly;
- l. The Bank manages its credit, market, liquidity and operational risks in a coordinated manner within the organization; and
- m. The internal audit function reports to the Board Audit Committee and provides independent validation of the business units' compliance with risk policies and procedures, and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

## Risk and Responsibility Matrix

LBIC RISK UNIVERSE AND RESPONSIBILITY MATRIX										
Risk Universe	Credit Risk	Concentration Risk	Market Risk	Liquidity Risk	Operational Risk	Strategic Risk	IT Risk	Legal Risk	Reputational Risk	Compliance Risk
Primary Risk Owner	Head, Mortgage & Credit		CFO/Head Treasury		HODs	Finance & EXCO	Head, IT	Head Legal Services	HCM	CCO
Secondary Risk Owner	CRO									CCO
Management Committees	Management Credit Committee		ALCO		Risk Management Committee (RMC)					
	Executive Management Committee									
Board Committees	Board Credit Committee		Board Audit, Risk and Compliance Committee							
	Board of Directors (BOD)									

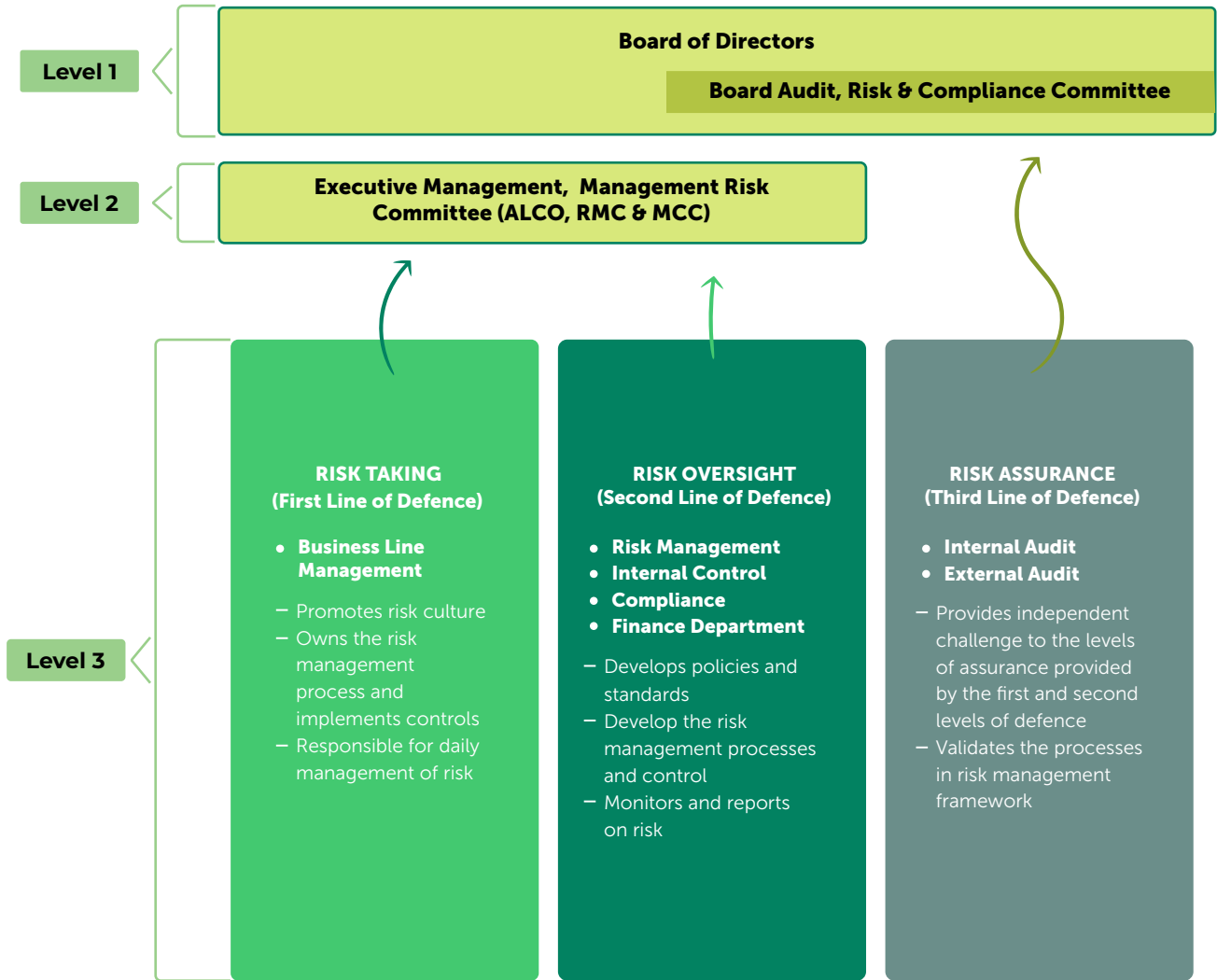
### 4.4 Risk Governance Structure

The Bank has three levels of Governance Structure:

1. The Board and Board Risk Management Committees;
2. Management Risk Committees; and
3. The Business Units and Functions with Risk and Control responsibilities.

# THE LBIC ENTERPRISE RISK MANAGEMENT GOVERNANCE STRUCTURE

(Three-level governance and three lines of defence)



#### 4.4.1 Board of Directors

The Board of Directors (“the Board”) has the ultimate responsibility for risk management in the Bank, including ensuring the implementation and maintenance of effective systems for risk management and internal control oversight role, with emphasis on understanding the priority risks, approving risk management policies for risks and determining that risk responses are effective. The board is responsible for;

- Setting the Bank’s risk appetite across the risk spectrum
  - Ensuring that executive management as well as individuals responsible for managing risks facing the bank possess sound expertise and knowledge to accomplish the risk management function.
  - Ratifying the decision of the Board Audit, Risk & Compliance Committee (BARCC) with respect to the following:
    - Approval of the risk management frameworks and policies
    - Approval of new products/markets
    - Approval of any complementary methodologies with respect to risk management.
  - Ensuring that the Risk Management Policy Frameworks are implemented in line with the Board approval.
  - Ensuring that the Risk Management Policy Frameworks are implemented in line with the Board approval.
- i. Efficiency and effectiveness of operations;
  - ii. Safeguarding the Bank’s assets (including information);
  - iii. Compliance with applicable laws, regulations and supervisory requirements;
  - iv. Reliability of reporting; and
  - v. Behaving responsibly towards all stakeholders.

#### 4.4.2 The Role of the Board Audit, Risk and Compliance Committee

The roles and responsibilities of the Board Audit, Risk and Compliance Committee with respect to risk management functions include (but not limited to) the following:

- Setting the enterprise risk management vision, goals and objectives;
- Providing the required support to the Board of Directors to guide the definition of the bank’s risk appetite and ensuring that all exposures are in line with the approved appetite;
- Ensuring that the bank has appropriate risk management frameworks and policies, processes and methodologies in place for managing the various risk exposures of the Bank;
- Ensuring adherence to the risk management frameworks and policies through audit, inspection and exception monitoring
- Ensure Internal Audit and Control conducts periodic independent assessment of the risk management functions, including established controls
- Review exception reports and determine appropriate actions for policy breaches
- Endorsing approval of new products/markets subject to the ratification of the full Board;
- Reviewing the outcomes/results of stress testing activities and using the outcome to conduct an internal assessment of capital adequacy;
- Using reports on the bank’s risk profile and capital needs to:
  - Evaluate the level and trend of material risks and their effect on capital level
  - Ensure that the bank holds sufficient capital for all its material risk exposures and complies with established capital adequacy goals.
  - Review and approve capital allocation among major classes of risk, business lines and geography.
- Initiating a benchmarking study and internal review to ascertain the adequacy of the Bank’s approach to managing risks across all risk areas;
- Presenting reports on compliance with the Enterprise Risk Management policy to the Board of Directors;
- Approving all material aspects of rating and estimation processes;
- Ensuring the Bank’s business continuity management and disaster recovery plan is comprehensive and adequate.

The Board Audit Risk and Compliance Committee shall assist the Board in fulfilling its oversight responsibilities and its roles and responsibilities with respect to audit functions, including (but not be limited to):

- Reviewing the financial reporting process, the system of internal control and management of financial risks;

- Reviewing both internal and external audit processes; and
- Reviewing the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct;
- Reviewing the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct;
- Authorizing the internal auditor to carry out investigations into any activities of the Bank, which may be of interest or concern to the committee;
- Overseeing the establishment of whistle blowing procedures for the receipt, retention, and treatment of complaints received regarding unethical activity or breach of the corporate governance code and the confidential or anonymous treatment of submission by stakeholders (employees, customers, suppliers, applicants, etc.) of the Bank with respect to such complaints.

#### 4.4.3 Management Risk Committees and Business Units and Control Functions

The Leadership through its three committees; Risk Management Committee (RMC), Management Credit Committee (MCC) and the Assets and Liabilities Committee (ALCO) provide another line of defence, while the Business units, support functions and control own the Risk management and promote risk culture; develops policies and standards and assurances on the effectiveness of Risk management.

#### 4.5 Financial Risk Management

Financial risk is the potential for financial loss as a result of lending, operations and intermediating activities. The following financial risks are inherent in LBIC business.

- Market Risk
- Credit Risk
- Liquidity Risk and
- Operational Risk

Others are:

- Strategic Risk
- Reputational Risk
- Legal and Regulatory Compliance Risk
- Environmental and Social Risk

The business of Mortgage Banking is inherently about risk management and also as a fund manager in its intermediation role, the Bank looks forward to decent returns on their investment: it is right to state that this has to go along with commensurate risk.

Significant efforts are devoted to the process of managing risk by LBIC through the Identification, measurement, monitoring and controlling of risks. LBIC's business, financial condition, operating results or non-operating results could be materially adversely affected by different risks the Bank is exposed to.

#### 4.5.1 Market Risk

This is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

The Bank devotes resources to identifying, measuring, analyzing, monitoring and managing both operational and market risks including the management of its own funds/portfolios. The Bank does not take positions in the equity market but the Finance and Treasury department takes responsibility for investing the company's funds in Fixed Income Securities which include Bank Placement and Treasury Bills. Due to the nature of the investments, the bank is primarily exposed to interest rate risk which could be as a result of rollover risk or movements in rates during the period of investments which impacts on the prices of the instruments. LBIC is currently not exposed to any form of Foreign Exchange risks.

##### 4.5.1.1 Market Risk governance

The Board of Directors is responsible for the overall governance of market risk as well as defining the terms of reference and delegating responsibilities to the Board Audit, Risk and Compliance Committee. The Committee is charged with ensuring that market risks are managed homogeneously in all areas of operation. The Asset and Liabilities committee ensures that the company complies with Market risk limit set by the Board.

The following investments held at their fair value, will be directly impacted by changes in market interest rates.

At December 31, 2025, the Company was exposed to Interest rate risk primarily because of its exposures, which stood at **N15.925 billion** (2024:N13.165billion) in Fixed Income Securities.

Financial Assets In millions of Naira	Carrying Value exposed to cash flow	Interest rate risk
<b>December 31, 2025</b>		
Financial instruments	N15.925 billion	N2.172 billion
Measured at amortised cost	N15.925 billion	
Cash and cash equivalents	N15.925 billion	
Measured at fair value through profit or loss	N272,723 million	

Financial Assets In millions of Naira	Carrying Value exposed to cash flow	Interest rate risk
<b>December 31, 2024</b>		
Financial instruments	N13.165 billion	N1.427 billion
Measured at amortised cost	N13.165 billion	
Cash and cash equivalents	N13.165 billion	
Measured at fair value through profit or loss	N266,528 million	

## 4.5.2 Credit Risk

### 4.5.2.1 Credit Risk Management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a Mortgage or construction finance fails to meet its contractual obligations. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralized in Mortgage and Credit team, which reports to the Management Credit Committee.

The roles and responsibilities of the Board Credit Committee (BCC) include (but not limited to):

- Setting and approving credit policy
- Approving large exposures within pre-defined BCC limits
- Reviewing watch listed/delinquent exposures and approving remedial/corrective measures as required
  - Approve write-offs presented by Management
- Reviewing portfolio reports and taking decisions as required
- Ensuring appropriate provisions for loan losses are made

### Principal Credit Policies

The principal credit policies of the Bank are as follows:

- Establishing an appropriate credit risk environment;
- Operating under a sound credit granting process taking into considerations the requirements of CBNs prudential guidelines;
- Maintaining an appropriate credit administration, measurement and monitoring process;
- Ensuring adequate controls over credit risk;
- Credit is not extended to customers where the source of repayment is not known or speculative in nature;
- Risk considerations will always have priority over business and profit considerations.
- Ensuring that extensions of credit are made on an arms-length basis. In particular, credits to related parties are authorized on an exception basis, monitored with particular care and other appropriate steps taken to control or mitigate the risks of non-arm's length lending,

Credit risk is adequately managed and measured in the Bank. Part of the strategy in place for managing credit risk includes: ensuring that consistent standards are applied by Mortgage Department in respect of credit decision making process, The Management Credit Committee approved all loans. Most importantly, all credit decisions are guided by the Company's credit risk

policy as well as consideration being given to the requirements of CBN's prudential guidelines. The approval of credit limits for counterparties and the management of individual credit exposures must also fit within the Bank's portfolio guidelines and our credit strategies, and each decision also involves a risk-versus-return analysis.

#### 4.5.2.2 Methodology for Risk Rating

The Bank has developed a robust credit scoring and assessment methodology used to appraise and rate credits prior to approval. Additionally, there are scorecards and rating scales for evaluating the creditworthiness of our counterparties. The rating scale, which is calibrated on a probability of default measure is based upon a statistical analysis of historical defaults in our portfolio, this enables us to compare our internal ratings with common market practice and ensure comparability between different sub-portfolios of our institution. While we generally rate all our credit exposures individually, at times we rely on rating averages especially industry average for measuring risk. When we assign our internal risk ratings, we compare them with external risk ratings assigned to our counterparties by the major international rating agencies, where possible.

#### Credit Scoring System

The Bank's credit scoring system operates by assigning values to various factors. These values will be weighted based upon their correlation to default predictions and the organization's business objectives. They are added and averaged to determine a credit score for application. The scoring system either recommends for approval or decline or refers the application for further analysis. Factors taken into consideration include the following: Personal characteristics, economic characteristics, financial capacity and credit history. Others are:

##### (a) Market segmentation

This is based on the customer's turnover which is classified into upper market (structured/unstructured), Middle market structured/unstructured and small businesses/individuals.

##### (b) Facility type and tenor

This is either mortgage loan or construction financing subject to internal and regulatory limits. The tenor is dependent on the borrower's preference but with

consideration to the age of the borrower or the number of years left in service.

##### (c) Sales/Turnover

The lower the sales turnover the riskier the business. This is grouped into upper, middle and small business.

##### (d) Management

A proper diagnosis of management is important for sound credit judgment. This is grouped into upper market (structured/unstructured), Middle market (structured/unstructured and small business/individual.

##### (e) Collateral security

The collateral pledged is legally sound, properly documented and continuously reviewed for its value and marketability. The bank takes delight in legal mortgages.

##### (f) Character

Fundamental to every credit decision is the honesty and integrity of the individuals to whom the Company lends directly or who manage the enterprises to which the Company lends. Character is one of the important factors in the credit decision. This is grouped into approved Credit Bureau Report (Negative/Positive).

##### (g) Profitability/Liquidity

The acceptance of a credit depends upon an objective evaluation of the customer's ability to repay the borrowed funds. To establish this, Profitability and Liquidity ratios will be used. In the case of an individual, affordability is key as this will enable the Bank knows if the prospective customer can repay the loans as and when due.

##### (h) Capital

The borrowers are expected to provide a personal stake or equity contribution of not less than 30% depending on the risk evaluation of the proposal.

##### (i) Cash collateralized facilities

Cash collateralized facilities are not subjected to this scoring method, unless the character of the customer is questionable, in which case, the application is rejected. For cash collateralized facilities the key issue is the safety margin, which should not be less than 20%. This margin should not also be cleaned up by accrued interest within the tenor of the facility. If a credit application satisfies these criteria the score shall remain 100.

## (j) Pricing

The average score computed determines the minimum level of interest chargeable. The interest rate determined would be a guide. For the purposes of clarity, a prime rate is determined by Credit Risk Management. However, the Committee reserves the right to accept or reject a recommendation if in its opinion there are other factors fundamental to the interest of the Bank that will warrant overriding such recommendation(s).

### 4.5.2.3 Credit Risk Measurement

In line with IFRS 9, the bank has adopted Expected Credit Loss (ECL) approach effective January 1, 2018. IFRS 9 adopts dual measurement approach in determining expected credit loss.

IFRS 9 Expected Credit Loss measurement approach is a proactive way of determining the extent of future losses associated with risk exposures in the bank's portfolio. The major aspect of ECL approach is the incorporation of the macroeconomic indicators (forecast) into the computation of the future credit loss. The credit impairment under IFRS 9 is determined using a forward looking method of impairment evaluation by assuming that every risk exposure have inherent credit loss. The Bank accepts lending activities after careful analysis of the borrowers' character, capacity to repay, cash flow, credit history, industry conditions and other factors. In the analysis, the applied parameters are determined by each business segment because of the differences in the inherent risks. The Bank's rating grades reflect the range of parameters internally developed to predict the default probabilities of each rating class in line with international best practices. The grades are validated by the Risk department.

### 4.5.2.4 The Bank's Internal Rating Scale is presented below:

#### Index of Risk Assessment

Rating Grade	Description	Characteristics
1 (AAA)	Extremely Low Risk	<ul style="list-style-type: none"> <li>• Exceptional credit quality</li> <li>• Obligors with overwhelming capacity to meet obligation</li> <li>• Top multinationals / corporations</li> <li>• Good track record</li> <li>• Strong brand name</li> <li>• Strong equity and assets</li> <li>• Strong cash flows</li> <li>• Full cash coverage</li> </ul>
2 (AA)	Very Low Risk	<ul style="list-style-type: none"> <li>• Very high credit quality</li> <li>• Exceptionally high cash flow coverage (historical and projected)</li> <li>• Very strong balance sheets with high liquid assets</li> <li>• Excellent asset quality</li> <li>• Access to global capital markets</li> <li>• Typically large national corporate in stable industries and with significant market share.</li> </ul>
3 (A)	Low Risk	<ul style="list-style-type: none"> <li>• High quality borrowers</li> <li>• Good asset quality and liquidity position</li> <li>• Strong debt repayment capacity and coverage</li> <li>• Very good management</li> <li>• Though credit fundamentals are strong, it may suffer some temporary setback if any of them are adversely affected</li> <li>• Typically in stable industries</li> </ul>

**Index of Risk Assessment (contd.)**

<b>Rating Grade</b>	<b>Description</b>	<b>Characteristics</b>
4 (BBB)	Acceptable Risk	<ul style="list-style-type: none"> <li>• Good asset quality and liquidity</li> <li>• Very good debt capacity but smaller margins of debt service coverage</li> <li>• Good management in key areas</li> <li>• Temporary difficulties can be overcome to meet debt obligations</li> <li>• Good management but depth may be an issue</li> <li>• Good character of owner</li> <li>• Typically good companies in cyclical industries.</li> </ul>
5 (BB)	Moderately High Risk	<ul style="list-style-type: none"> <li>• Satisfactory asset quality and liquidity</li> <li>• Good debt capacity but smaller margins of debt service coverage</li> <li>• Reasonable management in key areas</li> <li>• Temporary difficulties can be overcome to meet debt obligations</li> <li>• Good management but depth may be an issue</li> <li>• Satisfactory character of owner</li> <li>• Typically good companies in cyclical industries</li> </ul>
6 (B)	High Risk	<ul style="list-style-type: none"> <li>• Limited debt capacity and modest debt service coverage</li> <li>• Could be currently performing but susceptible to poor industry conditions and operational difficulties</li> <li>• Declining collateral quality</li> <li>• Management and owners are good or passable</li> <li>• Typically borrowers in declining markets or with small market share and operating in cyclical industries.</li> </ul>
7 (CCC)	Very High Risk	<ul style="list-style-type: none"> <li>• Eliciting signs of deterioration as a result of well-defined weaknesses that may impair repayment</li> <li>• Typically start-ups/declining markets/deteriorating industries with high industry risk</li> <li>• Financial fundamentals below average</li> <li>• Weak management</li> <li>• Poor information disclosure</li> </ul>
8 (CC)	Extremely High Risk	<ul style="list-style-type: none"> <li>• Well-defined weaknesses though significant loss unlikely; orderly liquidation of debt under threat</li> <li>• Continued strength is on collateral or residual repayment capacity of Obligor</li> <li>• Partial losses of principal and interest possible if weaknesses are not promptly rectified</li> <li>• Questionable management skills</li> </ul>
9 (C)	High likelihood of default	<ul style="list-style-type: none"> <li>• High probability of partial loss</li> <li>• Very weak credit fundamentals which make full debt repayment in serious doubt</li> <li>• Factors exist that may mitigate the potential loss but awaiting appropriate time to determine final status</li> <li>• Demonstrable management weaknesses, poor repayment weaknesses and poor repayment profile</li> </ul>
10 (D)	Lost	<ul style="list-style-type: none"> <li>• A definite loss of principal and interest</li> <li>• Lack of capacity to repay unsecured debt</li> <li>• Bleak economic prospects</li> <li>• Though it is still possible to recover sometime in the future, it is imprudent to defer write-offs</li> </ul>

#### 4.5.2.5 (A) Analysis of loans by credit rating

This reflects the credit quality of the Bank's loan portfolio.

Rating	December 31, 2025 (₦)	December 31, 2024 (₦)	December 31, 2023 (₦)	December 31, 2022 (₦)	December 31, 2021 (₦)
AAA	21,691,417	100,330,640	8,318,701	-	-
AA	134,167,358	77,154,048	481,482,985	493,348,451	551,721,771
A	564,496,182	152,399,385	170,679,321	80,479,493	50,564,936
BBB	1,347,504,283	460,831,342	34,949,992	-	31,196,506
BB	-	-	43,773,523	-	1,639,528
B	-	-	-	-	4,641,245
CCC	-	-	-	-	-
CC	-	-	-	-	-
C	-	-	-	-	-
D	-	-	-	-	-
<b>Total</b>	<b>2,067,859,240</b>	<b>790,715,415</b>	<b>739,204,522</b>	<b>573,827,944</b>	<b>639,763,986</b>

#### 4.5.2.5 (B) Analysis of loans by credit staging

Schedule of Movement in Gross Carry Amount				
Loans & Advances	Stage 1 ₦000	Stage 2 ₦000	Stage 3 ₦000	Total ₦000
Dec 2025				
Strong Capacity	1,923,739	-	-	1,923,739
Significant Increase in Credit Risk	-	145,155	-	145,155
Default	-	-	-	-
	<b>1,923,739</b>	<b>145,155</b>	<b>-</b>	<b>2,068,894</b>
Loans & Advances	Stage 1 ₦000	Stage 2 ₦000	Stage 3 ₦000	Total ₦000
Dec 2024				
Strong Capacity	769,632	-	-	769,632
Significant Increase in Credit Risk	-	-	-	-
Default	-	-	21,084	21,084
	<b>769,632</b>	<b>-</b>	<b>21,084</b>	<b>790,715</b>

<b>Schedule of Movement in Expected Credit Loss (ECL)</b>				
<b>ECL on Loans and Advances</b>	<b>Stage 1 ₦000</b>	<b>Stage 2 ₦000</b>	<b>Stage 3 ₦000</b>	<b>Total ₦000</b>
Dec 2025				
Strong Capacity	13,338	-	-	13,338
Significant Increase in Credit Risk	-	4,943	-	4,943
Default	-	-	-	-
	<b>13,338</b>	<b>4,943</b>	<b>-</b>	<b>18,281</b>
<b>Loans &amp; Advances</b>	<b>Stage 1 ₦000</b>	<b>Stage 2 ₦000</b>	<b>Stage 3 ₦000</b>	<b>Total ₦000</b>
Dec 2024				
Strong Capacity	5,475	243	-	5,718
Significant Increase in Credit Risk	-	-	-	-
Default	-	-	-	-
	<b>5,475</b>	<b>243</b>	<b>-</b>	<b>5,718</b>

#### 4.5.2.6 Risk Limit Setting

- LBIC's credit risk management unit shall establish exposure limits for single obligors and groups of connected obligors which shall be within the exposure limits set by regulatory/supervisory bodies.
- The size of the limits shall be based on the credit strength of the obligor, genuine requirement of credit, economic conditions, quality of collateral and LBIC Plc's risk tolerance.
- Appropriate limits shall be set for respective products and activities, specific industries, and economic sector to avoid concentration risk.
- In a situation where the obligor wants to share its facility limits with its related Companies, LBIC shall review such arrangements and impose necessary limits if the transactions are frequent and significant.
- The Bank shall ensure that credit limits are reviewed at least annually and immediately an obligor's credit quality shows sign of deterioration.

#### 4.5.2.7 Loan Restructuring

"Restructuring" is defined to include rescheduling, deferral of principal repayment, interest capitalization, review of cost of funds and modification of the terms of the loan in any way that will make it possible for the Borrower to become financially viable to enable it to service the loan facility. With the provision of relevant information regarding the deteriorating quality of a risk asset, the Board Credit Committee shall direct that such an account be placed on watch list, for close monitoring. The loan restructuring must be initiated by the relevant department after all necessary approval has been granted.

##### **Criteria for Identifying Facility for Restructuring**

In carrying out restructuring proposals, only facilities which satisfy the following criteria shall be eligible:

- Non-performing loans in line with CBN prudential guidelines
- Low level of operations due to changes in policies/environmental developments which can be sorted out within 90 Days
- Inappropriate loan tenor and payment schedule
- Where the borrower is undergoing minor or temporary financial crisis

### **i. Procedure for Loan Restructuring**

Restructuring of any loan shall not be done more than three (3) times in the lifetime of the Loan. The process of loan restructuring shall be carried out by the Mortgage and Credit Department of the Bank. The procedure to be adopted shall be as follows:

- a) Upon receipt of the letter of request from the borrower, the Restructuring Unit shall review to determine if it meets any of the above stated criteria.
- b) The Mortgage and Credit Officer shall prepare a restructuring report for consideration and shall be approved by the MCC or Board Credit Committee depending on the value of the loan.
- c) If approved, a letter will be issued to the BORROWER conveying the terms and conditions of restructuring for acceptance and payment of the necessary fees by the borrower.
- d) Thereafter, the Mortgage and Credit Officer shall duly inform the Credit Monitoring Unit which shall proceed to effect the restructuring. The loan shall be tagged "restructured."

### **4.5.3 Liquidity Risk**

Liquidity risk is the potential for loss to an organization arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

Liquidity risk arises when cushion provided by the liquid asset is not sufficient to meet its obligation (Funding-Liquidity Risk). The liquidity risk management framework outlined below has been developed to ensure that LBIC Plc. is not unduly exposed to liquidity risk and is in compliance with regulatory requirements and international best practice with respect to liquidity risk management.

The framework defines the responsibilities of the Board and Finance and Treasury department as well as the liquidity risk management processes and Procedure.

#### **(a) Board of Directors oversight**

The primary responsibility of the Board of Directors is to understand the liquidity risk profile of LBIC Plc. and the tools used to manage liquidity risk; and to provide oversight.

#### **(b) Financial Control**

Finance and Treasury is responsible for managing the overall liquidity of the Bank. The department is responsible for implementing the Bank's funding policies and perform additional responsibilities as delegated by the Management or Board.

#### **(c) Liquidity Risk Management Process**

The key elements of the Bank's liquidity risk management process are:

- Definition of LBIC Plc.'s liquidity strategy
- Identification of liquidity risk
- Measurement of liquidity risk
- Monitoring and reporting liquidity risk

#### **(d) Liquidity Strategy**

Liquidity risk management process

The Bank has a liquidity risk management framework that ensures adequate liquidity at all times to enable the Bank withstand a range of stress events, including those that might involve loss or impairment of funding sources. The liquidity risk exposure is monitored and managed by the Asset and Liability Management Committee (ALCO) on a regular basis.

The strategy is documented and outlined below:

- a. Projecting cash flows and considering the level of liquid assets to be maintained;
- b. Monitoring deposit concentration in order to avoid undue reliance on large individual depositors and ensure a satisfactory overall funding mix;
- c. Monitoring balance sheet liquidity ratios against internal and regulatory requirements;
- d. Managing the concentration and profile of debt maturities;
- e. Maintaining a diverse range of funding sources with adequate back-up facilities;
- f. Making funding arrangement should liquidity crisis arises which did not happen during the year under review;
- g. Regular conduct of stress testing.

#### **(e) Maturity analysis**

The table below analyses the financial assets and liabilities of the Bank into relevant maturities on the remaining period at reporting date to the contractual maturity date. The table includes both principal and interest cash flows.

2025						
	0-30 days	31-90 days	91-180 days	181-360 days	>360 days	Total
Financial Assets	₦000	₦000	₦000	₦000	₦000	₦000
Cash and Cash Equivalents	10,008,336	3,314,836	1,403,390	1,034,959	163,469	15,924,990
Non current assets held for sale	-	-	-	-	-	-
Loans and Receivables	93,628	58,123	89,522	192,284	1,657,001	2,090,558
Other Asset	105	47,159	167,365	17,730	40,155	272,513
<b>Total Financial assets</b>	<b>10,102,069</b>	<b>3,420,118</b>	<b>1,660,277</b>	<b>1,244,973</b>	<b>1,860,624</b>	<b>18,288,061</b>
Financial Liabilities						
Account Payables	153,384	550,171	209,840	130,800	484,708	1,528,903
Customer deposit	9,200,963	3,037,235	136,904	48,751	889,782	13,313,635
<b>Total Financial Liabilities</b>	<b>9,354,347</b>	<b>3,587,406</b>	<b>346,744</b>	<b>179,551</b>	<b>1,374,490</b>	<b>14,842,538</b>
<b>Liquidity Gap</b>	<b>747,722</b>	<b>(167,288)</b>	<b>1,313,532</b>	<b>1,065,422</b>	<b>486,134</b>	<b>3,445,523</b>

2024						
	0-30 days	31-90 days	91-180 days	181-360 days	>360 days	Total
Financial Assets	₦000	₦000	₦000	₦000	₦000	₦000
Cash and Cash Equivalents	9,319,430	653,507	2,712,005	899,247	163,469	13,747,658
Non current assets held for sale	-	-	568,314	-	-	568,314
Loans and Receivables	9,717	12,359	50,946	68,283	658,256	799,560
Other Asset	8,216	75,120	14,839	31,017	-	129,192
<b>Total Financial assets</b>	<b>9,337,363</b>	<b>740,986</b>	<b>3,346,104</b>	<b>998,547</b>	<b>821,724</b>	<b>15,244,724</b>
Financial Liabilities						
Account Payables	247,318	303,607	98,347	52,597	227,828	929,697
Customer deposit	8,965,201	56,301	2,304,770	9,576	523	11,336,371
<b>Total Financial Liabilities</b>	<b>9,212,519</b>	<b>359,908</b>	<b>2,403,117</b>	<b>62,173</b>	<b>228,351</b>	<b>12,266,068</b>
<b>Liquidity Gap</b>	<b>124,844</b>	<b>381,078</b>	<b>942,987</b>	<b>936,374</b>	<b>593,374</b>	<b>2,978,656</b>

#### 4.5.4 Strategic Risk Management

##### 4.5.4.1 Overview

Strategic risk is the potential for loss arising from ineffective business strategies, the absence of integrated business strategies, inability to implement those strategies and the inability to adapt the strategies to changes in the business environment.

This policy provides a framework for the management of strategic risk in LBIC Plc. It offers guidance to control

growth plans, dealing initiatives, service diversification, technology changes and other related strategic initiatives.

##### 4.5.4.2 Responsibilities and Functions

###### Board of Directors

The Board of Directors have the ultimate responsibility for establishing and approving LBIC Plc.'s strategy using an integrated planning process, which aligns strategies, goals, tactics and resources. Such plans are then

cascaded to the various operating units so as to integrate all units' plans to be aligned with the overall Bank's plans and objectives. The Board ensures that it:

- a. Oversees the strategic risk management process
- b. That the Bank has in place an appropriate strategic risk management framework which suits its own circumstances and needs;
- c. Ensures that the strategic goals and objectives are set in accordance with its corporate mission and values, culture, business direction;
- d. Approves the strategic plan and any subsequent changes, and review the plan (at least annually) to ensure its appropriateness;
- e. Ensures the bank's structure, and infrastructure, as well as systems and controls are appropriate and adequate to support the implementation of its strategies and receive report therein.

#### 4.5.4.3 Authority and Responsibility

The Managing Director/Chief Executive Officer is the chief driver of the strategic risk through the departmental heads of the various operating units. He has the authority to request the units to respond to specific or special initiatives in order to carry out the corporate objectives. The financial control department is responsible for the coordination of the necessary tasks under strategic risk management for now.

The Financial control department is involved with the following:

- Ensure that risk management practices are integrated into LBIC Plc.'s overall strategic planning effort.
- Develop strategic goals, objectives and future planning initiative, which balance risk and profitability.
- Implement processes for monitoring business performance viz a viz the set goals.
- Maintain a complete set of all strategic risk, corporate governance documents and supporting materials and;
- Report to the Managing Director on strategic policy issues.

#### 4.5.4.4 Strategic Risk Management Process

LBIC's strategic risk management process involves the following steps:

- i. Monitoring the internal and external environment
- ii. Assessing the strategic implications of changes in the environment.
- iii. Formulating strategies in response to the changes in the environment.
- iv. Allocating resources to execute strategies.
- v. Monitoring organization and business unit performance.
- vi. Continuously improving the strategic control process.
- vii. Competitors' analysis.

The effective application of the above steps shall aid the Bank in the identification and measurement of risks.

#### 4.5.4.5 Monitoring Strategic Risk

- All strategic risks identified are prioritized based on a combination of impact and likelihood of occurrence.
- For all significant strategic risks, key performance indicators shall be defined to provide a measure of the risk to Bank's capital, cash flow and earnings.
- Resource requirements and action plans to manage each significant risk shall be defined and approved by the management.
- Analysis of strategic risk shall include undertaking reasonable efforts to anticipate risk, establishing tolerances for certain types of risk and managing changes in established strategic direction or in risk tolerance.

#### 4.5.4.6 Strategic Risk Control

- The management of LBIC Plc. shall ensure that strategic risk management encompasses sound planning and procedures, identifiable internal controls to address strategic risk, and periodic adjustment of such controls throughout the organization.
- The management of LBIC Plc. shall review the appropriateness of the Bank's strategic risk management system, given its scope, nature, and the complexity of its tasks.
- The management of LBIC Plc. shall review the validity of scenarios used in the strategic risk management system.

- Strategic plans are approved and monitored by the Board.
- Regular environmental scan, business strategy session and workshops are set up to discuss business decisions.
- Close monitoring to ensure that strategic plans are properly aligned with the business model
- Regular performance review by Executive Management and business plans are approved by the Board.

#### 4.5.5 Operational Risk Management

Operational risk is the potential loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank's objective is to manage operational risk so as to minimize financial losses and to avoid control procedures that restrict initiative and creativity. Framework to Manage Operational Risk Management includes:

- Ownership of the risk by the business units and support functions;
- Oversight by risk management;
- Independent review by Internal Audit and Control.
- External Auditors review

Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. The goal is to keep operational risk at appropriate levels relative to our business. There are controls to forestall operational losses although issues arises but no significant loss was sustained.

Our operational risk strategy seeks to minimize the impact that operational risk can have on shareholders' value. The Bank's strategy includes:

- a. Reducing the likelihood of occurrence of expected events and related cost by managing the risk elements and implementing loss prevention or reduction techniques to reduce variation to earnings;
- b. Improve performance through a well designed and implemented internal controls.

#### 4.5.5.1 Management and Control Responsibilities

The business unit form the first line of governance for managing operational risk, they report any identified breakdowns in control and any risk events that may result in financial loss and/or reputation damage. They are to ensure that processes for identifying and addressing ineffective controls and the mitigation of risk events are implemented. The Risk Management teams form the secondary line of governance by ensuring that processes to identify weaknesses are effective and that identified weaknesses are acted upon. The Bank's operational risk profile is presented to the Board quarterly. Control effectiveness is monitored by the Internal Audit and Control department.

#### 4.5.5.2 Complaints Profile

The Bank monitors its customers' complaints and get necessary feedback, where issues raised needs to be escalated this is done in order to ensure customers satisfaction. All complaints were treated within the allowable time without any complaints escalated to regulatory authorities. However, no financial losses were sustained during the period under review. Below is the breakdown of complaints received during the year under review.

### 2025 SCHEDULE OF CUSTOMERS' COMPLAINTS

MONTH	NO OF COMPLAINTS	RESOLVED	UNRESOLVED WITHIN STIPULATED TIME	STATUS	UNRESOLVED DISPLUTE(S) ESCALATED TO CBN
JAN	21	21	0	CLOSED	NIL
FEB	18	18	0	CLOSED	NIL
MAR	21	21	0	CLOSED	NIL
APR	16	16	0	CLOSED	NIL
MAY	14	14	0	CLOSED	NIL
JUN	9	9	0	CLOSED	NIL
JUL	12	12	0	CLOSED	NIL
AUG	20	20	0	CLOSED	NIL
SEP	45	45	0	CLOSED	NIL
OCT	23	23	0	CLOSED	NIL
NOV	10	10	0	CLOSED	NIL
DEC	22	22	0	CLOSED	NIL
<b>TOTAL</b>	<b>231</b>	<b>231</b>	<b>0</b>		

No financial losses were sustained and all complaints raised were closed, none was escalated to the Regulatory Authorities.

#### 4.5.6 Reputational Risk Management

Reputational Risk is a risk of loss resulting from damages to the Bank's reputation. The Bank will deliver on its promises and conduct its affairs in a manner that engender public confidence. The Bank will endeavour to promote its image and perception in the mind of the public and maximize the value of its brand.

#### 4.5.7 Compliance Risk Management

LBIC is committed to complying with laws, regulations, code, guidelines that borders on its operations. In doing this there is a compliance unit that ensures that regulatory expectations are codified into the operations of the Bank. The Bank put in place structure, processes and policies to prevent and detect any breaches. It also ensures that recommendations from regulatory bodies and other control functions are implemented.

The Board of Directors ensure strict compliance with relevant laws, codes, rules and standards issued by the regulators, codes of practices promoted by industry

associations and internal policies. The compliance function, under the leadership of the Chief Compliance Officer of the Bank, has put in place a robust compliance framework, which includes:

- i. Comprehensive compliance manual detailing the roles and responsibilities of all stakeholders in the compliance process;
- ii. Review and analysis of all relevant laws and regulations, which are adopted into policy statements to ensure business is conducted professionally;
- iii. Review of the Bank's Anti-Money Laundering Policy in accordance with changes in the Money Laundering Prohibition Act 2012 and Anti-Terrorism Act 2011 as amended; along with relevant CBN, NFIU, and FATF guidelines.
- iv. Incorporation of new guidelines in the Bank's "Know Your Customer" policies in line with the Central Bank of Nigeria's Anti-Money Laundering/Combating Finance of Terrorism Compliance Manual.

#### 4.5.7.1 Compliance with Code of Corporate Governance

The Bank had applied the Code of Corporate Governance developed by the Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC), Code of Corporate Governance by Financial Reporting Council of Nigeria (FRCN). Reports on the level of compliance are rendered to the Institutions as required.

#### 4.5.7.2 Anti-Money Laundering/Combating Financing of Terrorism(AML/CFT)

LBIC is committed to cooperating with relevant Agencies charged with the responsibilities of Administering the AML/CFT laws and regulations.

The Bank's AML/CFT programme as approved is running. This is to ensure that the risks arising from money laundering and terrorism financing are prevented and managed. And that relevant statutory and regulatory obligations are complied with. The Leadership shall ensure that the reputation and integrity of the Bank and its employees are protected.

Reports are being rendered to the relevant authorities as required.

Trainings are conducted on AML/CFT to enable employees apprise themselves with the necessary information that will keep the bank from being used as to launder money.

#### 4.3.7.3 Whistle Blowing

The Board of Directors prioritize high ethical standards and probity, and expects all its employees and officers to observe such standards in all their dealings within the Bank.

All employees of the Bank are encouraged to raise genuine concerns about misconduct, malpractices and unethical behaviour at the earliest opportunity and in an appropriate manner.

The Bank has a dedicated phone line and an email for reporting cases concerning wrong doing and unethical behaviour in the organization. Reports can also be made via the Bank's website.

#### 4.3.8 Environmental and Social Risk Management

On Sustainable and Environmental Issues; the Bank conducts its business in a manner that protects the health and safety of all stakeholders. We are delighted to report that during the period under review there were no recorded cases of incidents in our operations.

The Bank will avoid, minimize or offset the negative impacts of our business operations on the environment and local communities in which we operate and where possible, promote positive impacts.

We shall continue to promote employee involvement and accountability in identifying, preventing and eliminating hazards and risks of injury.

The Bank is very proactive in adopting preventative methods to avoid contracting serious diseases by its employees through enlightenment via the Human Capital Development department and any reported cases of illness are proactively managed.

In our Head Office building reservation is made for the physically challenged to park their vehicles while access to the building is also made friendly to them.

The Bank is building up capacity in the area of environmental and social risk. It had incorporated this into its lending activities and developing footprint in its operations.

The Bank conduct environmental and social screening on all intending loans and will not finance construction or give mortgages on property:

1. Deemed illegal or non-compliant with applicable laws and regulations.
2. Involving outstanding land disputes
3. Properties built in locations and / or in a manner that involves significant degradation or adverse impacts on critical cultural heritage.
4. Property that contravene the approved uses.
5. Locations prone to natural disasters
6. Locations hazardous to human habitation

The Bank, for example, adopted the following in our sustainable banking practices:

- a. The use of renewable energy when off public grid

- b. Use of recycle bins for paper, plastic, bottles and cans.
- c. Turn off electronic equipment and lights when not in use
- d. Re-use office supplies or equipment before purchasing new ones.
- e. Set our monitor to sleep after 5 minutes of inactivity.
- f. Use of energy efficient bulbs
- g. Reduce use of disposables by using water dispensers

#### 4.3.9 Data Privacy and Protection

The Bank has duly approved Data Protection Policy which is revised on an ad-hoc basis to reflect the legal, regulatory and operating environment. The Bank adheres strictly to both local and international data protection policies such as the National Data Protection Act of Nigeria.

## NOTES TO THE FINANCIAL STATEMENTS (contd.)

	December, 2025	December, 2024
	₦000	₦000
<b>5a Interest Income</b>		
Interest on New Mortgage Loans	363,159	182,729
Interest on Short Term Placement	2,127,314	1,405,002
Interest on Treasury Bills	-	22,756
Interest on Commercial Paper	44,381	-
Interest on Short Term Loan	1,440	-
	<b>2,536,293</b>	<b>1,610,487</b>
Loan impairment (charges)/Recovered	(12,562)	(3,127)
<b>Net interest income after loan impairment charges</b>	<b>2,523,731</b>	<b>1,607,360</b>
<b>5b Interest Expense</b>		
Interest Expense on Demand Deposit	230,242	132,772
Interest Expenses on Saving Deposit	16,450	14,579
Interest Expenses on Term Deposit	54,667	44,086
Interest on NHF Loans	3,179	3,264
<b>Net interest Expense</b>	<b>304,538</b>	<b>194,702</b>
<b>6 Fee and Commission Income</b>		
Account Maintenance Fees & Commission	4,088	1,751
Fees and Credit Related Fees	538,319	445,565
Other Income	-	-
<b>Net Fee and Commission Income</b>	<b>542,407</b>	<b>447,315</b>
<b>7 Net Trading Income</b>		
Property and Lease Rentals	-	-
Other Incomes	468,820	466,017
Dividend Income	17,636	13,280
	<b>486,456</b>	<b>479,297</b>
Other Income relates to income from disposal of Non Current Assets Held for Sales, loan recovery and other uses.		
<b>8 Net Gain/(Loss) through Profit or Loss</b>		
Gain/Loss on fair valuation of quoted equities through profit or loss	-	-
Gain/Loss on fair valuation of Investment Property	-	-
	-	-
<b>Gross Earnings</b>	<b>3,565,156</b>	<b>2,537,099</b>

	December, 2025	December, 2024
	₦000	₦000
<b>9 Other Operating Expenses by Nature</b>		
Auditor's Remuneration	4,300	4,300
Advertisement and Publicity	10,045	3,503
Legal , Professional Charges and Subscriptions	48,733	64,884
Contingencies	60,000	86,173
Insurance Expenses	81,275	37,689
Utility Services	23,403	16,064
Printing and Stationery	18,044	10,911
Bank Charges and Commission	23,267	8,137
Bad and Doubtful debts/Investment	-	9,608
Business Promotion	33,090	38,701
General, Maintenance and Office Expenses	307,315	222,277
Staff Training and Development	11,301	2,616
Fuel and Lubricants	44,354	56,271
Security Expenses	19,693	15,596
Transport and Travelling	127,486	94,194
Directors' Fees and Allowance	17,981	10,275
	<b>830,287</b>	<b>681,200</b>

General and office expenses include repairs and maintenance of property, plants and Equipment; hardware and software costs, rents and rates.

Contingency Expense refers to provision for pending law suits

	December, 2025	December, 2024
	₦000	₦000
<b>10 Impairment on loans and advances and Other Known losses</b>		
Net Impairment on Loans and Advances	(12,562)	(3,127)
Net Impairment on Cash & Cash Equivalent	-	-
Net Impairment on Non-Current Assets Held for Sales	-	-
Net Impairment on Other Assets	-	-
	<b>(12,562)</b>	<b>(3,127)</b>

<b>11a Personal Expenses</b>		
Wages and Salaries	500,301	349,077
Contribution to defined contribution plans	42,385	31,212
Restructuring Cost/Terminal Benefit	-	-
Medical Expenses	67,175	28,846
	<b>609,861</b>	<b>409,135</b>

		December, 2025	December, 2024
		₦000	₦000
<b>11b</b>	<b>Number</b>		
	The average number of person employed during the year excluding directors were:		
	Managerial staff	3	6
	Senior Staff	37	34
	Junior Staff	3	2
		<b>43</b>	<b>42</b>

**11c Staff Cost**

The related staff cost excluding employer's contribution to pension scheme & medical

<b>Cost per Staff</b>		<b>11,635</b>	<b>8,311</b>
<b>11d</b>	<b>Executive Directors' Emoluments</b>		
	Sitting Allowance	-	-
	Director's Fees	-	-
	Salaries (Included in Wages & Salaries in (11a))	158,099	112,325
	Contribution to defined contribution plans	15,810	1 1,233
	<b>Total</b>	<b>173,909</b>	<b>123,558</b>

**11e** The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

		December, 2025	December, 2024
		₦000	₦000
	N100,001-N500,000	-	-
	N500,001-N100,000	-	-
	N5,000,001-N6,000,000	-	-
	N6,000,001-N7,000,000	-	-
	N7,000,001-N8,000,000	-	-
	N10,000,001-and above	3	3
	<b>Total</b>	<b>3</b>	<b>3</b>

		December, 2025	December, 2024
		N'000	N'000
<b>12</b>	<b>Depreciation and other operating costs</b>		
<b>12a</b>	Depreciation	150,187	87,296
	Amortization	1,763	897
		<b>151,950</b>	<b>88,193</b>

	December, 2025	December, 2024
	₦000	₦000
<b>13 Earnings per share</b>		
Profit attributable to ordinary equity shareholders	1,051,252	788,582
Basic earnings per share (kobo)	27.08	20.31
<b>14 Dividends</b>		
Dividend paid	237,532	-
Unpaid Dividend	Nil	Nil

There was no amount recognised as distributions to ordinary shareholders in the year and there is no unclaimed dividend as at December 31, 2025.

<b>15 Cash and Cash Equivalents</b>		
Cash in hand	7,235	4,692
Current accounts with other banks	300,091	415,311
	<b>307,326</b>	<b>420,003</b>
CBN Cash Reserve Deposits	163,469	163,469
	<b>470,795</b>	<b>583,472</b>
Money Market Placements	15,454,195	13,165,186
Commercial Paper	-	-
Impairment on doubtful Investments	-	-
Impairment on Current Account	-	(1,000)
	<b>15,924,990</b>	<b>13,747,658</b>

<b>16 Financial Assets</b>		
<b>Quoted Equities</b>		
Opening Balance	196,528	97,778
Net gain/(loss) on assets at fair value through profit or loss	6,195	-
Additions during the year	-	98,750
Reclassification	-	-
Impairment/Revaluation on investment	-	-
	<b>202,723</b>	<b>196,528</b>
<b>Unquoted Equities</b>		
Opening Balance	70,000	70,000
Additional during the year	-	-
Reclassification	-	-
Impairment on investment	-	-
<b>Carrying amount</b>	<b>70,000</b>	<b>70,000</b>
<b>Carrying amount of Quoted &amp; Unquoted Investments</b>	<b>272,723</b>	<b>266,528</b>

Unquoted equities represent the company's investments in Mortgage Warehouse Funding Limited (MWFL) and Ibile Micro Finance Bank Limited.

	December, 2025	December, 2024
	₦000	₦000
<b>17</b>	<b>Income Tax Expenses</b>	
<b>17a</b>	<b>Income Statement current tax:</b>	
	Income Tax	530,395
	Development Levy	76,891
	Tertiary Education Tax	-
	Police Trust Fund Levy	-
	NITD	-
	<b>604,705</b>	<b>372,160</b>
	<b>(b) Reconciliation of effective tax rate</b>	
	Profit before income tax	1,655,957
	<b>Tax rate (2024: 30%)</b>	<b>496,787</b>
		<b>348,222</b>

<b>Effect of:</b>		
Income exempted from tax	-	-
Disallowable expenses	79,894	37,765
Unrelieved Loss	-	-
Capital allowance	(88,772)	(64,091)
Deferred Tax Recovery	39,904	-
Development Levy	76,891	-
Tertiary Education Tax	-	38,599
Police Trust Fund	-	58
NITDEF	-	11,607
Income Tax Expense in the Statement of Profit or Loss	<b>604,705</b>	<b>372,160</b>

<b>Effective Tax Rate</b>	<b>37%</b>	<b>32%</b>
<b>(c) Statement of Financial Position:</b>		
At 1 January	293,814	227,017
Charge for the year	604,705	372,160
	<b>898,519</b>	<b>599,176</b>
Payment during the year	(227,444)	(276,280)
WHT Utilised	(158,808)	(29,083)
	<b>512,267</b>	<b>293,814</b>

		December, 2025	December, 2024	
		₦000	₦000	
<b>18</b>	<b>Mortgage Loans and Receivables</b>			
<b>18a</b>	<b>Loans and Advances at Amortised Cost</b>			
	Active Mortgage Loan	1,991,075	710,367	
	NHF Loans	77,818	80,348	
	Staff Loans and Advances	5,664	8,845	
	Short term Loans	16,000	-	
	<b>Gross Amount</b>	<b>2,090,557</b>	<b>799,560</b>	
	Portfolio Impairment	(18,281)	(5,718)	
		<b>2,072,278</b>	<b>793,843</b>	
<b>18b</b>	Performing Loans	2,090,557	799,560	
	Non-Performing Loans	-	-	
		<b>2,090,557</b>	<b>799,560</b>	
	Specific Allowance for Impairment	18,281	5,718	
	Collective Allowance for Impairment	-	-	
	Expected Credit Loss Allowance based on IFRS 9	<b>18,281</b>	<b>5,718</b>	
<b>18c</b>	<b>Allowance for Impairment</b>			
	Opening Balance	5,718	2,591	
	(Increase)/Decrease in Impairment	12,562	3,127	
		<b>18,281</b>	<b>5,718</b>	
<b>18d</b>	<b>Gross Value of Loans and advance is analyzed as follows</b>			
	Performing	1 20,906	2,090,557	799,560
	Non-performing :	-	-	-
	Watch-List	5 -	-	-
	Substandard	20 -	-	-
	Doubtful	50 -	-	-
	Lost	100 -	-	-
		<b>20,906</b>	<b>2,090,557</b>	<b>799,560</b>
<b>18e</b>	Analyzed by maturity as follows:			
	Maturity between 1-3 months	30,483	30,483	
	Maturity between 3-6 months	30,538	30,538	
	Maturity between 6-12 months	68,283	68,283	
	Maturity above 1 year	670,256	670,256	
		<b>799,560</b>	<b>799,560</b>	
<b>18f</b>	<b>Mortgage Assets Admin Lagos-Homs Mortgage Loan</b>			
	The accounts of the Mortgage Loan Administration with Lagos State Ministry of Housing in the books of LBIC Plc were treated as off-balance sheet events.			

	December, 2025	December, 2024
	₦000	₦000
<b>19 Non-Current Assets Held for Sale</b>		
Balance, beginning of year	568,314	725,683
Additions/(Disposal) during the year	(568,314)	(157,369)
Write-off during the year	-	-
<b>Gross Amount</b>	<b>-</b>	<b>568,314</b>
Impairment on Non-Current Asset	-	(3,314)
<b>Net Carrying Amount</b>	<b>-</b>	<b>565,000</b>
<b>19a Allowance for Impairment</b>		
Opening balance	3,314	3,314
Impairment Recovered for the year	-	-
Impairment Charges for the year	(3,314)	-
	<b>-</b>	<b>3,314</b>
<b>19b Investment Property</b>		
Balance, beginning of year	-	-
Additions/(Disposal) during the year	-	-
	<b>-</b>	<b>-</b>

The Investment Property has been sold and fully realised.

	₦000	₦000
<b>20 Other Assets</b>		
Sundry Assets	-	16,978
Prepayments	117,025	37,240
Interest and Other Receivables	155,488	74,974
Gross Amount	<b>272,513</b>	<b>129,192</b>
Charge for Impairment	(0)	-
<b>Net Carrying amount</b>	<b>272,513</b>	<b>129,192</b>

Sundry Assets, Prepayment, Interest and Other Receivables relates to Employee Share Scheme, advance payment to vendors, Interest receivables on loans and WHT recoverable.

**20b The maturity analysis of other assets is analyzed as follows:**

	Between 0-3 Months	Between 3-6 Months	Between 6-12 Months	Above 12 Months
Sundry Debtors	-	-	-	-
Sundry Assets	-	-	-	-
Prepayments	20,997	38,144	17,730	40,155
Interest and Other receivables	26,266	129,222	-	-
	<b>47,264</b>	<b>167,365</b>	<b>17,730</b>	<b>40,155</b>

	December, 2025	December, 2024
	₦000	₦000
<b>21</b>		
<b>Intangible Assets</b>		
Opening Balance	1,047	1,944
Additions during the year	8,062	-
Amortisation for the Year	(1,763)	(897)
Reclassification	-	-
<b>Net Carrying amount</b>	<b>7,346</b>	<b>1,047</b>
<b>22</b>		
<b>Financial Liabilities</b>		
Bank Loans and Overdrafts	-	-
NMRC Loans	-	-
NHF Loans	78,481	80,649
Bank Loans	-	-
	<b>78,481</b>	<b>80,649</b>

## 23 Property, Plants and Equipment

	Land	Office Building/WIP	Motor Vehicle	Generator, Plants & Machinery	Electronics & Computer	Office Equip, Furniture & Fittings	Capital Work in Progress	Total
	₦000	₦000	₦000	₦000	₦000	₦000	₦000	₦000
<b>Cost:</b>								
At 1 January 2025	1,152,578	374,296	370,226	75,802	165,778	106,279	-	2,244,958
Additions	-	-	320,000	-	17,505	39,048	777,311	1,153,865
Disposal	(657,490)	-	(90,000)	(270)	(1,630)	(8,978)	-	(758,368)
<b>At 31 December 2025</b>	<b>495,088</b>	<b>374,296</b>	<b>600,226</b>	<b>75,532</b>	<b>181,653</b>	<b>136,349</b>	<b>777,311</b>	<b>2,640,456</b>
<b>Depreciation:</b>								
At 1 January 2025	-	67,890	224,188	49,147	131,298	53,480	-	526,003
Charge for the Year	-	7,486	101,301	4,437	10,535	26,428	-	150,187
Disposal	-	-	(90,000)	(270)	(1,487)	(7,682)	-	(99,438)
<b>At 31 December 2025</b>	<b>-</b>	<b>75,376</b>	<b>235,489</b>	<b>53,314</b>	<b>140,346</b>	<b>72,227</b>	<b>-</b>	<b>576,752</b>
	₦000	₦000	₦000	₦000	₦000	₦000	₦000	₦000
<b>Cost:</b>								
At 1 January 2024	1,152,578	374,296	219,586	75,318	135,404	76,516	-	2,033,698
Additions	0.42	-	151,036	484	30,374	36,574	-	218,468
Disposal	-	-	(396)	-	-	(6,811)	-	(7,207)
<b>At 31 December 2024</b>	<b>1,152,578</b>	<b>374,296</b>	<b>370,226</b>	<b>75,802</b>	<b>165,778</b>	<b>106,279</b>	<b>-</b>	<b>2,244,958</b>
<b>Depreciation:</b>								
At 1 January 2024	-	60,346	170,276	44,723	125,216	43,897	-	444,459
Charge for the Year	-	7,544	54,307	4,424	6,082	14,938	-	87,295
Disposal	-	-	(396)	-	-	(5,355)	-	(5,751)
<b>At 31 December 2024</b>	<b>-</b>	<b>67,890</b>	<b>224,188</b>	<b>49,147</b>	<b>131,298</b>	<b>53,480</b>	<b>-</b>	<b>526,003</b>
<b>CARRYING AMOUNT:</b>								
<b>At 31 December 2025</b>	<b>495,088</b>	<b>298,920</b>	<b>364,737</b>	<b>22,217</b>	<b>41,307</b>	<b>64,123</b>	<b>777,311</b>	<b>2,063,704</b>
<b>At 31 December 2024</b>	<b>1,152,578</b>	<b>306,406</b>	<b>146,038</b>	<b>26,654</b>	<b>34,480</b>	<b>52,799</b>	<b>-</b>	<b>1,718,956</b>

### 23.1 Depreciation

Depreciation charged for the period were allocated amongst the cost centres..

### 23.2 Impairment losses recognised in the period

There were no impairment losses recognised during the period (2024: Nil)

### 23.3. Collateral

The property, plant and equipment and including any landed property owned by the Bank has been not been used to secure the borrowings.

	December, 2025	December, 2024
	₦000	₦000
<b>24</b>		
<b>Deposit From Customers</b>		
Demand deposit	10,839,386	9,154,733
Savings deposit	1,755,747	1,695,096
Term deposit	718,500	486,542
	<b>13,313,633</b>	<b>11,336,371</b>

<b>25</b>		
<b>Other Liabilities</b>		
Accounts Payable	606,110	203,923
Interbranch / Suspense Balances	64,449	145,516
Deposits for projects	155,258	156,009
FMBN/NHF deductions	1,216	349
Audit Fees Payable	1,720	1,640
Accruals and Contingencies	146,173	86,173
Statutory Deductions	16,249	19,314
Staff pension fund/NSITF/ITF	22,627	22,960
	<b>1,013,802</b>	<b>635,884</b>

## 26. Share Capital

All ordinary shares rank pari passu with the same rights and benefits of the company. They are also entitled to vote at meetings of the bank. Every ordinary shareholder is entitled to receive dividend as declared by the company and entitled to vote at meetings.

	Unit	Unit
<b>Issued and fully paid Ordinary shares of N1 each</b>	<b>3,882,047</b>	<b>3,882,047</b>

## 26a. Movement during the year

## 27. Share Premium

Share Premium is the excess paid by shareholders over the nominal value of their shares

	December, 2025	December, 2024
	₦000	₦000
At 1 January	119,802	119,802
New issue	-	-
At 31 December	<b>119,802</b>	<b>119,802</b>

## 28. Profit and Loss Appropriation and Retained Earnings

### 28a Profit or Loss Appropriation

Profit after tax for the year	1,051,252	788,582
<b>Appropriation:</b>		
Transfer to Retained Earnings	527,176	630,866
Transfer to Statutory Reserve	210,250	157,716
Transfer as Dividend as Proposed	263,979	-
Transfer to Scrip Issuance Reserve	524,076	-

### 28b. Retained Earning/(Accumulated Losses)

Retained Earnings are carried forward, recognized income net of expenses plus current profit attributable to shareholders.

	December, 2025	December, 2024
	₦000	₦000
<b>28c. Movement during the year</b>		
As at 1 January	593,830	(34,758)
Transfer from Statement of Profit or Loss	1,051,252	788,582
Transfer to Scrip Issuance Reserve	(524,076)	-
Dividend Proposed (Payout)	(263,979)	-
Dividend Paid	(237,581)	-
Transfer to Statutory Reserve	(210,250)	(157,716)
Transfer to Non Regulatory Risk Reserve	(2,625)	(2,277)
<b>As at 31 December</b>	<b>406,571</b>	<b>593,830</b>

## 29. Scrip Issuance Reserve

	December, 2025	December, 2024
	₦000	₦000
Opening Balance	-	-
Transfer from Retained Earnings for the year	524,076	-
<b>As at 31 December</b>	<b>524,076</b>	<b>-</b>

## 30. Statutory Reserve

S5(4) of the Banks and Other Financial Institutions Act of 2020 as amended, requires every Primary Mortgage Bank to maintain a reserve fund and shall out of its net profit after income tax expense and before any dividend is declared, transfer to the statutory reserves as follows:

- Where the reserve fund is less than the paid-up share capital, a minimum of 20% of the net profits; or
- Where the reserve fund is equal to or in excess of the paid-up share capital, a minimum of 10% of net profits; and
- No transfer to the reserve fund shall be made until all identifiable losses have been made.

	December, 2025	December, 2024
	₦000	₦000
As at 1 January	213,839	56,123
Transfer from Retained Earnings	210,250	157,716
<b>As at 31 December</b>	<b>424,090</b>	<b>213,839</b>

December, 2025

December, 2024

₦000

₦000

**31. Fair Value Reserve - OCI**

	December, 2025	December, 2024
	₦000	₦000
Opening Balance	26,859	26,859
(Written Off)/ Increase during the year	6,195	-
<b>As at 31 December</b>	<b>33,055</b>	<b>26,859</b>

₦000

₦000

**32. Dividend Paid And Proposed**

	December, 2025	December, 2024
	₦000	₦000
<b>Declared and paid during the year:</b>		
Dividends on ordinary shares	237,581	-
<b>Proposed for approval at the annual general meeting (recognised as a liability as at 31 December):</b>	<b>263,979</b>	<b>-</b>
<b>Dividends on ordinary shares for 2025: 6.8K (2024: 6.12K)</b>	<b>-</b>	<b>237,581</b>
Dividend Per Share (Kobo)	<b>6.12</b>	<b>-</b>

### 33. Statement of Regulatory Risk Reserve

The Regulatory Body, Central Bank of Nigeria (CBN) / Nigeria Deposit Insurance Corporation (NDIC) stipulates that provisions for loans recognized in the statement of profit or loss account shall be determined based on the requirements of IFRS. The IFRS provisions should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserve should be treated as follows:

- (i) Prudential Provisions is greater than IFRS provisions; transfer the difference from the retained earnings to a non-distributable regulatory reserve.
- (ii) Prudential Provisions is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory risk reserve account to the retained earnings to the extent of the non-distributable reserve previously recognized.

#### Statement of Prudential Adjustments

	December, 2025	December, 2024
<b>PRUDENTIAL GUIDELINES PROVISION:</b>	<b>₦000</b>	<b>₦000</b>
Specific Provision on loans to customers	-	-
General Provision on loans to customers	20,906	7,996
Interest in Suspense	-	-
Specific Provision on investment Securities	-	-
Specific impairment on equity investment	-	-
Specific impairment on non-current assets	-	-
Provision for Other Known Losses	-	-
<b>Total</b>	<b>20,906</b>	<b>7,996</b>
<b>IFRS Based Impairment</b>		
Expected Credit Loss Allowance based on IFRS9	18,281	5,718
Specific impairment on investment securities	-	-
Specific impairment on equity investment	-	-
Specific impairment on non current assets	-	-
Specific impairment on other assets	-	-
	<b>18,281</b>	<b>5,718</b>
<b>IFRS Impairment allowance is lower than CBN prudential provision</b>	<b>2,625</b>	<b>2,277</b>
Required amount in Non-Distributable Regulatory Reserve	-	-
Amount maintained in Non-Distributable Regulatory Reserve	-	-
<b>Excess over required regulatory provision</b>	<b>-</b>	<b>-</b>
<b>Non-Distributable Regulatory Reserve</b>		
Opening Balance	39,127	36,850
Transfer From/(To) Retained Earnings	2,625	2,277
<b>Carrying Amount</b>	<b>41,752</b>	<b>39,127</b>

	December, 2025	December, 2024
	₦000	₦000
<b>34. Non-distributable Risk Reserve</b>		
As at 1 January	39,127	36,850
Transfer from/(to) Retained Earnings for the year	2,625	2,277
<b>As at 31 December</b>	<b>41,752</b>	<b>39,127</b>

The non-distributable risk reserve warehouses the difference between the impairment allowance on loans as required by the Central Bank of Nigeria's prudential guidelines and the IFRS 9 expected credit loss model used under IFRS

### 35 Statement of Cash flows

The statement of cash flows has been drawn using the indirect method. Working capital comprises receivables, other assets, current liabilities, and financial liabilities. The cash flow from investing activities relates to the net amount of investments and disposals whilst the cash position consists of cash in hand, CBN Reserve Deposits and money market placements.

#### Reconciliation for net cash flow from operating activities

	December, 2025	December, 2024
	₦000	₦000
Profit before Income Tax	1,655,957	1,160,742
<b>Adjustment for</b>		
Depreciation on Property Assets and Amortization	151,950	88,192
Adjustment on (interest Income and expenses and earnings)	(160,923)	(2,757)
Profit/Loss on Disposal of Property Assets/FX Loss or Gain	-	(685)
Recovery of Provision for Non Current Asset Held for Sales	(3,314)	1,000
Financial Assets / Investment Write-off	-	-
Provisions for Mortgage Loan Losses	12,562	3,127
Dividend Received	(17,636)	(13,280)
<b>Cash flow before changes in Working Capital</b>	<b>1,638,597</b>	<b>1,236,339</b>
<b>Movement in Working Capital</b>		
(Increase)/Decrease in Mortgage Loans	(1,290,997)	(57,099)
(Increase)/Decrease in Non Current Asset Held for Sale	-	-
(Increase)/Decrease in Other Assets	(143,321)	(79,081)
(Increase)/Decrease in Financial Assets	-	-
Decrease in Deposit from Customers	1,977,262	6,740,870
Increase/(Decrease) in Changes in Liabilities	375,750	109,381
	<b>918,694</b>	<b>6,714,070</b>
<b>Net Cash Flow from Operating Activities</b>	<b>2,557,291</b>	<b>7,950,409</b>

### 36. Contraventions

The Bank needs to improve on the following CBN Prudential Guideline Ratio Assets Quality -Mortgage Asset to Total Asset ratio (Minimum), Assets Quality -Mortgage Asset to Loanable Fund ratio (Minimum), Earnings Quality (Minimum).

### 37. Related Parties Transaction

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes joint ventures, shareholders, key management personnel and group pension schemes.

#### (a) Transactions with Key Management Personnel

The Bank's key management personnel, and persons connected with them, are also considered to be related parties. The key management personnel have been identified as Executive and Non- Executive Directors of the Bank. Close members of the family are those family members who may be expected to influence, or to be influenced by that individual in their dealing with LBIC Plc.

#### (b) Key Management Personnel Compensation for the year comprises:

<b>Executive Directors' Emoluments</b>		
- Sitting Allowance	-	-
- Director' Fees	-	-
- Salaries (Included in Wages and Salaries in (11a)	158,099	112,325
- Contribution to defined contribution plans	15,810	11,233
<b>Total</b>	<b>173,909</b>	<b>123,558</b>
<b>Non-Executive Directors' Emoluments</b>		
Directors' Fees and Allowance	<b>17,981</b>	<b>10,275</b>

#### (i) Directors' interest in Contracts

There were no recorded directors' interests or dealings in contracts in the year under consideration.

#### (ii) Other Key Personnel's interests in Contracts

There were no known dealings of other key personnel's and their immediate families in interests or dealings in contracts in the year under review.

#### (iii) Shareholders interest in Contracts

LBIC Plc manages Lagos Homs mortgages which are under the supervision of Lagos Mortgage Board for the Lagos State.

#### (iv) List of All Directors Loan Deposit

<b>Names</b>	<b>Loan Balances</b>	<b>Deposit</b>
	<b>₦000</b>	<b>₦000</b>
Mr. Hakeem Ogunniran	NIL	5,212
Mr. Olusola Faleye	NIL	11,596
Mr. Afolabi Omilabu	NIL	88
Mr. Layiwola Okoya	NIL	110
Mr. Femi Adewole	NIL	11,470
Mr. Tunde Owolabi	NIL	1,734
Mrs. Bolanle Banjo	NIL	423
Mr. Adewale Okesola	NIL	128
<b>Total</b>		<b>30,762</b>

### **38. Events After the Reporting Period**

There are no events after reporting date which could have material effect on the State of Affairs of the Company as at 31 December, 2025 and the Profit for the period ended on that date, which has not been adequately provided for.

### **39. Contingent Liabilities**

The Bank in its ordinary course of business, is presently involved in 33 cases as defendants and 5 cases as claimants. The total amount claimed in the 38 cases against the Bank is estimated at ₦518 million while the total amount claimed in the cases instituted by the Bank is about ₦65 million. However, the solicitors of the Bank are of the opinion that the probable liability arising from the cases pending against the Bank is not likely to exceed ₦100million. Arising from the above, the bank's retained solicitors and the Directors of the Bank are of the view that none of the aforementioned cases is likely to have a material adverse effect on the Bank and they are not aware of any other pending and or threatened claims or litigations which may be material to the financial statements.

### **40. Comparative Figures**

Some comparative figures have been expressed differently to reflect a more meaningful comparison in the current year.

### **41. Approval of The Financial Statements**

The Financial Statements were approved by the Board of Directors on 26 February, 2026

## VALUE ADDED STATEMENT (NON-IFRS)

FOR THE YEAR ENDED 31 DECEMBER, 2025

	December, 2025		December, 2024	
	₦000	%	₦000	%
Gross Earnings	3,565,156		2,537,099	
Interest Expenses	(304,538)		(194,702)	
	<b>3,260,618</b>		<b>2,342,397</b>	
Loan loss impairment written back/(charged)	(3,127)		(3,127)	
Administrative and other expenses	(839,722)		(681,200)	
<b>Value Added</b>	<b>2,417,769</b>	<b>100</b>	<b>1,658,069</b>	<b>100</b>
<b>Distributed As Follows:</b>				
<b>To Pay Employees</b>				
Personnel Cost	609,861	25	409,135	25
<b>To Pay Government</b>				
Income Tax Expense	604,705	25	372,160	22
<b>Retained for future replacement of assets and expansion of business</b>				
Depreciation charge on assets and Amortization	151,950	6	88,192	5
Profit for the year	1,051,252	43	788,582	48
	<b>2,417,769</b>	<b>100</b>	<b>1,658,069</b>	<b>100</b>

Value added represents the additional wealth which the Bank has been able to create on its own and by its employees' efforts. This statement shows the allocation of that wealth among employees, government, providers of funds and that which is retained for future creation of more wealth.

# FIVE-YEAR FINANCIAL SUMMARY (NON-IFRS)

FOR THE YEAR ENDED 31 DECEMBER, 2025

IFRS					
	12 Months	12 Months	12 Months	12 Months	12 Months
	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21
	₦000	₦000	₦000	₦000	₦000
<b>Statement of Financial Position</b>					
<b>Assets employed</b>					
Cash and Bank Balances	15,924,990	13,747,658	6,248,409	4,497,259	4,441,003
Financial Assets at Fair Value	272,723	266,528	167,778	181,111	195,784
Mortgage Loans and Receivables	2,072,278	793,843	736,743	571,620	637,556
Non-Current Assets Held for Sale	-	565,000	722,369	798,933	749,034
Investment Properties	-	-	-	429,743	429,743
Other Assets	272,513	129,192	50,111	61,067	43,774
Property, Plant and Equipment (NBV)	2,063,704	1,718,956	1,589,238	1,706,328	1,766,861
Intangible Assets	7,346	1,047	1,944	-	-
	<b>20,613,554</b>	<b>17,222,223</b>	<b>9,516,593</b>	<b>8,246,063</b>	<b>8,263,757</b>
<b>Financed by:</b>					
Ordinary Share Capital	3,882,047	3,882,047	3,882,047	3,882,047	3,882,047
Share Premium	119,802	119,802	119,802	119,802	119,802
Non-Distributive Reserve	41,752	39,127	36,850	32,048	32,048
Statutory Reserve	424,090	213,839	56,123	56,123	56,123
Scrip Issuance Reserve	524,076	-	-	-	-
Retained Earning/(Accumulated Losses)	406,571	593,830	(34,758)	(609,190)	(1,044,875)
Asset Revaluation Reserve	33,055	26,859	26,859	27,016	27,016
Financial Liabilities	78,481	80,649	82,733	84,735	86,658
Deposit from Customer	13,313,633	11,336,371	4,595,501	4,166,687	4,265,085
Other Liabilities	1,013,802	635,884	524,419	390,282	778,045
Income Tax Liabilities	512,267	293,814	227,017	96,513	61,808
Proposed and Payable Dividend	263,979	-	-	-	-
	<b>20,613,554</b>	<b>17,222,223</b>	<b>9,516,594</b>	<b>8,246,064</b>	<b>8,263,758</b>

	2025	2024	2023	2022	2021
<b>Statement of Profit or Loss</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>
Gross Earnings	3,565,156	2,537,099	1,607,735	1,255,900	916,036
Profit/Loss Before Income Tax Expenses	1,655,957	1,160,742	(828,662)	(522,520)	(254,430)
Income Tax Expense	(604,705)	(372,160)	(249,429)	(86,835)	(45,402)
Profit/Loss After Income Tax Expenses	1,051,252	788,582	(579,234)	(435,685)	(209,027)
EPS - Kobo	<b>27.08</b>	<b>20.31</b>	<b>(14.92)</b>	<b>(11.22)</b>	<b>(5.38)</b>
Net Assets per N1 Share	<b>1.40</b>	<b>1.26</b>	<b>1.05</b>	<b>0.90</b>	<b>0.79</b>
Total Assets per N1 Share	<b>5.31</b>	<b>4.44</b>	<b>2.45</b>	<b>2.12</b>	<b>2.13</b>

**Note:**

Earnings, Dividends, Net Assets and Total Assets per share are based on the issued and fully paid ordinary shares at the respective statement of financial position dates, as disclosed in the audited financial statements. Earnings per share are based on the profit after income tax expense.

**PROXY FORM**

**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2025**

The 21<sup>st</sup> Annual General Meeting of Lagos Building Investment Company Plc. will be held at the Conference Hall, LBIC Building, Plot 1, ASSBIFI Road, Central Business District, Alausa, Ikeja Lagos on Tuesday 5<sup>th</sup> May 2026 at 11.00am prompt.

I/We .....

..... Being member/members of Lagos Building Investment Company Plc. hereby appoint

Or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my /our behalf at the 21<sup>st</sup> Annual General Meeting of our Company to be held on 5<sup>th</sup> May 2026 and at any adjournment thereof.

Signed this ..... day of ..... 2026. Shareholder's Signature.....

A member (shareholder) who is unable to attend an Annual General Meeting may by law vote by proxy. The form has been prepared to enable you to exercise your vote if you cannot attend.

**Before posting the above card tear off this part and retain it**

**(TEAR OFF THIS PART)**

**ADMISSION CARD**

Please admit.....to the Annual General Meeting of Lagos Building Investment Company Plc. which will be held at the Conference Hall, LBIC Building, Plot 1, ASSBIFI Road, Central Business District, Ikeja, Lagos on Tuesday 5<sup>th</sup> May 2026

Signature .....

Important

- (A) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the General Meeting.
- (B) Shareholders or their proxies are requested to sign the admission card before attending the Meeting.

**For Company's use only**

Full Name and Address of Shareholder	
Number of shares	

	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive and approve the Audited Financial Statements for the Year ended 31 <sup>st</sup> December 2025, together with the reports of the Directors, Auditor, and Audit Committee result thereon		
2.	To declare a dividend		
3.	To re - appoint Gbenga Badejo & Co as the External Auditors and authorise the Directors to fix the remuneration of the External Auditors so appointed		
4.	To re-elect the following retiring Directors: <ul style="list-style-type: none"> <li>• Mr Tunde Owolabi</li> <li>• Mr. Adewale Okesola</li> <li>• Mrs. Bolanle Banjo</li> </ul>		
5.	To elect members of the Statutory Audit committee		
6.	To disclose Remuneration of Managers		
<b>Special Business</b>			
a.	To fix the remuneration of Non - Executive Directors		
b.	To increase the issued share capital of the Company from N3,882,047,223 divided into 3,882,047,223 ordinary shares of ₦ 1.00 each to ₦4,399,653,519.00 divided into 4,399,653,519 ordinary shares of ₦1.00 each by the creation of 517,606,296 additional ordinary shares of ₦1.00 each ranking Pari passu with existing ordinary shares		
c.	To capitalise the sum of ₦517,606,296 standing to the credit of the Company's reserves and apply same in paying up in full 517,606,296 ordinary shares of ₦1.00 each, to be issued as bonus shares to shareholders whose names appear on the register of members as at 31 December 2025 in the proportion of two (2) new shares for every fifteen (15) ordinary shares held.		
d.	To consider and, if thought fit, pass the following resolution as Special Resolutions:  "That the Company be authorized to hold General Meetings (including Annual General Meetings and Extraordinary General Meetings) by electronic means, whether fully virtual or hybrid, in compliance with applicable laws, and that the Articles of Association be amended accordingly."		
e.	That Clause 6 of the Company's Memorandum of Association be and is hereby amended to reflect the new minimum share capital of ₦4,399,653,519.00 divided into 4,399,653,519 ordinary shares of ₦1.00 each."		

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