

**C & I LEASING PLC**

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2024**

# **C & I LEASING PLC**

**FOR THE PERIOD ENDED 30 JUNE 2024**

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# C&I LEASING PLC

## UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	Group		Company	
		30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>Assets</b>					
Cash and balances with banks	10.	2,738,327	2,068,882	2,520,735	1,825,422
Loans and receivables	11.	1,286,143	1,060,898	1,276,319	1,050,430
Trade and other receivables	12.	14,877,002	9,272,624	16,172,452	11,030,160
Due from related companies	12.1	-	-	12,717,435	2,098,552
Finance lease receivables	13.	2,677,754	2,148,380	1,063,715	1,195,930
Available for sale assets	14.	24,879	26,613	24,879	26,613
Investment in subsidiaries	15.	-	-	759,467	759,467
Investment in joint ventures		4,566,048	3,871,665	4,566,048	3,871,665
Other assets	16.	9,514,094	11,030,412	8,674,470	10,585,338
Operating lease assets	17.	64,598,912	46,996,839	15,606,673	16,285,446
Property, plant and equipment	18.	1,978,750	1,801,352	1,537,493	1,589,529
Intangible assets	19.	9,992	14,930	4,324	9,333
Deferred income tax assets	23.3	188,962	869,683	-	749,373
<b>Total assets</b>		<b>102,460,863</b>	<b>79,162,276</b>	<b>64,924,009</b>	<b>51,077,257</b>
<b>Liabilities</b>					
Balances due to banks	20.	417,796	1,486,238	404,981	1,483,761
Commercial notes	21.	8,795,745	19,668,928	8,795,745	19,668,928
Trade and other payables	22.	12,347,141	9,235,544	10,511,002	5,952,481
Current income tax liability	23.2	769,378	716,801	635,122	579,788
Deferred income tax liabilities	23.3	3,796,115	-	3,796,115	-
Borrowings	24.	31,510,849	17,656,354	25,112,031	14,645,740
Retirement benefit obligations	26.	31,529	73,032	31,529	73,032
<b>Total liabilities</b>		<b>57,668,553</b>	<b>48,836,898</b>	<b>49,286,525</b>	<b>42,403,730</b>
<b>Equity</b>					
Share capital	27.	884,573	884,573	884,573	884,573
Share premium		4,842,858	4,842,859	4,842,858	4,842,859
Statutory reserve	29.	2,132,062	2,037,558	1,724,313	1,135,719
Statutory credit reserve	30.	351,372	351,372	392,476	396,081
Retained earnings	31.	5,813,961	4,963,419	7,499,629	1,129,921
Foreign currency translation reserve	32.	29,447,503	15,770,155	-	-
AFS fair value reserve	33.	21,456	12,195	21,456	12,195
Revaluation reserve	34.	272,178	272,178	272,178	272,178
		43,765,964	29,134,310	15,637,483	8,673,527
Non-controlling interest	35.	1,026,345	1,191,068	-	-
<b>Total equity</b>		<b>44,792,309</b>	<b>30,325,378</b>	<b>15,637,483</b>	<b>8,673,527</b>
<b>Total liabilities and equity</b>		<b>102,460,862</b>	<b>79,162,276</b>	<b>64,924,008</b>	<b>51,077,257</b>

These consolidated financial statements were approved by the Board of Directors on 30th July, 2024 and signed on its behalf by :



**Samuel Maduka Onyishi**  
Group Chairman  
FRC/2021/003/00000023928



**Ugoji Lenin Ugoji**  
Managing Director  
FRC/2015/NIM/00000012363



**Okechukwu Nnake**  
Chief Financial Officer  
FRC/2013/ICAN/00000005362

The accompanying notes are an integral part of these consolidated financial statements.

# C & I LEASING PLC

## UNAUDITED CONSOLIDATED AND SEPARATE INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

Notes	Group				Company			
	6 Months to Jun 2024 N'000	3 Months to Jun 2024 N'000	6 Months to Jun 2023 N'000	3 Months to Jun 2023 N'000	6 Months to Jun 2024 N'000	3 Months to Jun 2024 N'000	6 Months to Jun 2023 N'000	3 Months to Jun 2023 N'000
<b>Gross earnings</b>	<b>18,195,076</b>	<b>9,424,418</b>	<b>10,021,087</b>	<b>5,224,085</b>	<b>13,122,493</b>	<b>6,538,474</b>	<b>8,380,227</b>	<b>4,644,850</b>
Lease rental income	16,079,080	8,286,086	8,500,968	4,314,866	9,573,364	4,862,495	6,235,034	3,094,294
Lease expenses	(7,566,148)	(3,900,669)	(4,215,330)	(2,234,125)	(6,330,246)	(3,253,447)	(3,681,379)	(1,929,400)
<b>Net lease rental income</b>	<b>8,512,932</b>	<b>4,385,418</b>	<b>4,285,638</b>	<b>2,080,741</b>	<b>3,243,118</b>	<b>1,609,048</b>	<b>2,553,655</b>	<b>1,164,894</b>
<b>Net outsourcing income</b>	<b>599,821</b>	<b>303,504</b>	<b>689,211</b>	<b>340,420</b>	<b>599,821</b>	<b>303,504</b>	<b>689,211</b>	<b>340,420</b>
Tracking income	76,411	34,311	54,650	23,542	76,411	34,311	54,650	23,542
Tracking expenses	(45,801)	(21,242)	(33,244)	(16,638)	(45,801)	(21,242)	(33,244)	(16,638)
<b>Net tracking income</b>	<b>30,610</b>	<b>13,069</b>	<b>21,406</b>	<b>6,904</b>	<b>30,610</b>	<b>13,069</b>	<b>21,406</b>	<b>6,904</b>
Interest income	572	382	30,986	29,598	14	0	27,894	27,750
Other operating income	341,519	121,503	362,840	305,118	1,775,212	659,533	991,007	948,303
Income from Joint Venture	1,097,671	678,631	382,432	210,541	1,097,671	678,631	382,432	210,541
Finance cost	(4,518,869)	(2,322,552)	(2,694,800)	(1,328,216)	(3,699,518)	(1,620,032)	(2,553,599)	(1,264,977)
	6,064,258	3,179,955	3,077,713	1,645,105	3,046,928	1,643,753	2,112,005	1,433,834
Impairment charge	(14,350)	(5,775)	(2,902)	(1,738)	(1,734)	466	6,732	5,426
Depreciation expense	(3,145,998)	(1,603,632)	(1,498,171)	(763,701)	(826,257)	(365,977)	(859,186)	(419,941)
Personnel expenses	(887,590)	(487,410)	(636,780)	(322,214)	(626,743)	(356,307)	(550,770)	(277,268)
Other operating expenses	(856,272)	(528,294)	(587,595)	(364,379)	(676,625)	(431,778)	(495,940)	(304,105)
<b>Profit on continuing operations before taxation</b>	<b>1,160,047</b>	<b>554,844</b>	<b>352,266</b>	<b>193,074</b>	<b>915,568</b>	<b>490,158</b>	<b>212,841</b>	<b>437,946</b>
<b>Income tax</b>	<b>(173,091)</b>	<b>(69,784)</b>	<b>(111,448)</b>	<b>(56,921)</b>	<b>(72,583)</b>	<b>(34,438)</b>	<b>(28,207)</b>	<b>(5,702)</b>
<b>Profit after tax</b>	<b>986,957</b>	<b>485,060</b>	<b>240,818</b>	<b>136,153</b>	<b>842,985</b>	<b>455,719</b>	<b>184,634</b>	<b>432,245</b>
<b>Profit attributable to:</b>								
Owners of the parent	945,047	458,345	170,685	81,216	842,985	455,719	184,634	432,245
Non-controlling interests	41,910	26,715	70,132	54,937				
	986,957	485,060	240,818	136,153	842,985	455,719	184,634	432,245
<b>Appropriation of profit attributable to owners of the parent:</b>								
Transfer to statutory reserve	94,505	45,835	51,206	24,365	84,299	45,572	18,463	129,673
Transfer to retained earnings	850,542	412,511	119,480	56,851	758,687	410,147	166,171	302,571
	945,047	458,345	170,685	81,216	842,985	455,719	184,634	432,245
Basic earnings per share [kobo]	56	27	31	17	48	26	24	55

The accompanying notes are an integral part of these consolidated financial statements.

## C & I LEASING PLC

### CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	Group		Company	
		30 June 2024 N'000	31 June 2023 N'000	30 June 2024 N'000	31 June 2023 N'000
<b>Cash flows from operating activities</b>					
Profit after tax		986,957	170,685	842,985	184,634
<b>Adjustment for:</b>					
Depreciation of property, plant and equipment	18.	79,341	29,075	21,182	13,809
Depreciation of operating lease assets	17.	3,066,657	1,469,096	805,075	845,377
Amortisation of intangible assets	19.	6,310	5,869	5,009	6,262
Profit on disposal of operating/finance lease assets		-	(131,803)	(125,153)	(28,695)
Foreign currency translation difference		(5,228,248)	(225,239)	-	-
Finance cost	39.	4,518,869	2,694,800	3,699,518	2,553,599
Revaluation surplus		-	-	-	-
Prior year adjustment		(642,907)	(44,954)	6,219,531	24,582
Exchange loss/Gain adjustment		196,498	67,649	202,681	58,560
Gain on revaluation of AFS assts		10,994	(6,732)	10,994	(6,732)
Deferred tax expenses		-	-	-	-
Tax expense	23.2	173,091	111,448	72,583	28,207
		<b>3,167,561</b>	<b>4,139,895</b>	<b>11,754,405</b>	<b>3,679,604</b>
<b>Changes in operating assets and liabilities</b>					
Increase/(Decrease) in loans and receivables		(225,245)	(130,224)	(225,889)	(234,165)
Increase/(Decrease) in trade and other receivables		(5,604,378)	1,315,649	(15,761,174)	1,801,032
Decrease in finance lease receivables		(529,374)	(289,371)	132,215	336,359
Decrease in other assets		1,516,317	(311,411)	1,910,868	(259,295)
Increase/(decrease) in trade and other payables		3,111,597	1,588,259	4,558,521	668,696
Increase/(decrease) in commercial papers		(471,532)	(240,308)	(471,532)	(240,308)
Decrease/(Increase) in Pension contribution		(41,503)	91,261	(41,503)	91,261
Increase/(decrease) in deferred tax		4,476,836	(80,837)	4,545,488	-
Tax paid	23.2	(154,416)	(107,464)	(51,151)	-
		<b>5,245,863</b>	<b>5,975,447</b>	<b>6,350,247</b>	<b>5,843,183</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	18.	(35,764)	-	(7,564)	-
Proceeds from sale of operating lease assets		-	(900,147)	-	(900,147)
Purchase of operating lease assets	17.	(1,984,108)	(1,112,833)	(142,629)	(1,112,833)
Acquisition of intangible assets		(1,372)	-	-	-
Proceed from investment in subsidiaries		-	-	-	-
Proceed from investment in joint ventures		(694,383)	55,068	(694,383)	55,068
Proceeds from sale of investment securities		-	-	-	-
		<b>(2,715,627)</b>	<b>(1,957,911)</b>	<b>(844,577)</b>	<b>(1,957,911)</b>
<b>Cash flows from financing activities</b>					
Decrease/(increase) in borrowings		3,452,844	(142,236)	64,640	(432,853)
Finance cost	39.	(4,518,869)	(2,694,800)	(3,699,518)	(2,553,599)
Share of (profit)/loss to non-controlling interest	35.	(164,724)	270,958	-	-
		<b>(1,230,749)</b>	<b>(2,566,078)</b>	<b>(3,634,878)</b>	<b>(2,986,453)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>1,299,487</b>	<b>1,451,458</b>	<b>1,870,792</b>	<b>898,819</b>
Cash and cash equivalents at 1 January		1,021,044	(430,413)	244,961	(653,858)
<b>Cash and cash equivalents at 30 June</b>	36.	<b>2,320,531</b>	<b>1,021,044</b>	<b>2,115,753</b>	<b>244,961</b>

The accompanying notes are an integral part of these consolidated financial statements.

## C & I LEASING PLC

### UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

#### Group

	Share capital N'000	Share premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation reserve N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Non-controlling interest N'000	Total equity N'000
At 1 January 2024	884,573	4,842,859	-	2,037,558	351,372	4,963,419	15,770,155	12,195	272,178	1,191,068	30,325,378
<b>Changes in equity for the period ended 30 June 2024</b>											
Profit for the period	-	-	-	-	-	945,047	-	-	-	41,910	986,957
Reinstatement of Deposit for shares	-	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>											
Fair value changes on available for sale financial assets	-	-	-	-	-	-	-	9,259.88	-	-	-
Audit Adjustment	-	-	-	-	-	-	-	-	-	-	9,260
Gain on foreign operations translation	-	-	-	-	-	-	13,677,349	-	-	(206,634)	13,470,715
<b>Total comprehensive income for the period ended 30 June 2024</b>	-	-	-	-	-	945,047	13,677,349	9,260	-	(164,724)	14,466,931
<b>Transactions with owners</b>											
Transfer between reserves	-	-	-	94,505	-	(94,505)	-	-	-	-	-
	-	-	-	94,505	-	(94,505)	-	-	-	-	-
<b>At 31 June 2024</b>	<b>884,573</b>	<b>4,842,859</b>	<b>-</b>	<b>2,132,062</b>	<b>351,372</b>	<b>5,813,961</b>	<b>29,447,503</b>	<b>21,455</b>	<b>272,178</b>	<b>1,026,345</b>	<b>44,792,310</b>
<b>At 30 June 2023</b>	<b>390,823</b>	<b>3,361,609</b>	<b>-</b>	<b>1,836,097</b>	<b>367,012</b>	<b>4,492,037</b>	<b>8,750,712</b>	<b>10,345</b>	<b>-</b>	<b>1,352,615</b>	<b>20,561,250</b>

## C & I LEASING PLC

### UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JUNE 2024

Company	Share Capital N'000	Share Premium N'000	Deposit for shares N'000	Statutory Reserve N'000	Statutory credit reserve N'000	Retained earnings N'000	Foreign currency translation N'000	AFS fair value reserve N'000	Revaluation reserve N'000	Total equity N'000
At 1 January 2023	884,573	4,842,859	-	1,135,719	396,081	1,129,921	-	12,195	272,178	8,673,527
<b>Changes in equity for the period ended 30 June 2024</b>										
Profit for the period	-	-	-	-	-	842,985	-	-	-	842,985
Reinstatement of Deposit for shares	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>										
Fair value changes on available for sale	-	-	-	-	-	-	-	-	-	-
Audit adjustments	-	-	-	504,295	(3,604)	5,611,021	-	9,260	-	6,120,972
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period ended 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504,295</b>	<b>(3,604)</b>	<b>6,454,006</b>	<b>-</b>	<b>9,260</b>	<b>-</b>	<b>6,963,957</b>
<b>Transactions with owners</b>										
Transfer between reserves	-	-	-	84,299	-	(84,299)	-	-	-	-
	-	-	-	84,299	-	(84,299)	-	-	-	-
<b>At 31 June 2024</b>	<b>884,573</b>	<b>4,842,859</b>	<b>-</b>	<b>1,724,313</b>	<b>392,476</b>	<b>7,499,629</b>	<b>-</b>	<b>21,455</b>	<b>272,178</b>	<b>15,637,484</b>
<b>At 31 June 2023</b>	<b>390,823</b>	<b>3,361,609</b>	<b>1,975,000</b>	<b>989,703</b>	<b>380,152</b>	<b>927,503</b>	<b>-</b>	<b>10,345</b>	<b>-</b>	<b>8,035,135</b>

# C & I LEASING PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 1. The reporting entity

C & I Leasing Plc ("the Company") was incorporated on 28 December 1990 and commenced business in June 1991. The Company was licensed by the Central Bank of Nigeria (CBN) as a finance company, and is owned by a number of institutional and individuals investors. The Company's shares were listed on the Nigerian Exchange Group (NGX) in December 1997. The Company is regulated by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC), and the Nigerian Exchange Group (NGX). In addition, the Company renders annual returns to the Corporate Affairs Commission (CAC). As at 30 June 2024, the Company has three subsidiary companies (31 December 2023) namely:

- Leasafric Ghana Limited
- EPIC International FZE, United Arab Emirates
- C&I Leasing FZE, Nigeria

C & I Leasing Plc together with the subsidiaries are referred to as "the Group".

The Registered office address of the Company is at C & I Leasing Drive, Off Bisola Durosinmi Etti Drive, Lekki Phase 1, Lagos, Nigeria.

The principal activities of the Group are provision of equipment leasing, logistics solution in the form of car and marine vessel rentals, fleet management and personnel outsourcing through its main operating entity and its subsidiaries.

These consolidated and separate financial statements cover the financial period from 1 January 2024 to 30 June 2024.

The consolidated and separate financial statements for the period ended 30 June 2024 were approved for issue by the Board of Directors on 30 **July 2024**.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), the Companies and Allied Matters Act 2020, the Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria Circulars and in compliance with the requirements of the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The consolidated and separate financial statements comprises the consolidated and separate statements of financial position, consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows and the related notes to the consolidated and separate financial statements.

#### 2.2 Going concern consideration

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.



## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **2.3 Basis of measurement**

The consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost and current cost convention for hyper-inflationary economies, except for financial instruments measured at fair value, and property, plant and equipment measured at revalued amounts.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated and separate financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Group's financial statements present the financial position and results fairly.

### **2.4 Functional and reporting currency**

The consolidated and separate financial statements are presented in Naira, which is the Group's reporting currency. The consolidated and separate financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the consolidated and separate financial statements, the consolidated results and financial position are expressed in Naira, which is the functional currency of the Company and the reporting currency for the Group's financial statements.

### **2.5 Basis of consolidation**

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024.

Subsidiaries are fully consolidated from the date of acquisition, being the date in which the Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

### **2.6 Changes in accounting policies and disclosures**

#### **2.6.1 Changes in accounting policies and disclosures**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

Several standards amendments and interpretations apply for the first time in 2024 but their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated and separate financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

#### **New and amended Standards**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation, interpretation or amendment that has been issued but is not yet effective

#### **2.6.1.a IFRS 17 Insurance Contracts**

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's financial statements.

### **2.6.1.b Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments had no impact on the Group's financial statements.

### **2.6.1.c Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

#### **New and amended Standards-continued**

### **2.6.1.d Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's financial statements.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **2.6.1.e International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

- a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and
- b) Quantitative information such as:
  - An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
  - An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The Group has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments will have no impact on the Group's consolidated financial statements at 31 December 2023.

### **2.6.2 New and revised IFRS Standards in issue but not yet effective for the period ended 30 June 2024**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Company's financial statements are disclosed below. The Group and Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### **2.6.2 New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2023**

#### **2.6.2.a Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee

uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **2.6.2.b Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify

the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation

### **2.6.2.c Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

### **New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2023**

#### **2.6.2 d Lack of exchangeability – Amendments to IAS 21**

In August 2023, the Board issued Lack of Exchangeability-Amendments to IAS 21. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **2.6.2 e Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28**

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively.

Early application is permitted and must be disclosed. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions. The amendments are not expected to have a material impact on the Group's financial statements.

### **3. Material accounting policy information**

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

#### **3.1 Investments in subsidiaries**

The consolidated and separate financial statements incorporate the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control.

Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

#### **3.1 Investments in subsidiaries-continued**

Control is usually present when an entity has:

- Power over more than one-half of the voting rights of the other entity;
- Power to govern the financial and operating policies of the other entity;
- Power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- Power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date that control ceased. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

In its separate financial statements, the Company accounts for its investment in subsidiaries at cost.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **3.2 Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its consolidated and separate financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the Group discontinues recognizing its share of further losses.

### **3.3 Investments in joint ventures**

A joint venture is an entity over which the Company has joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The investment in a joint venture is initially recognized at cost and adjusted for in the Group's share of the changes in the net assets of the joint venture after the date of acquisition, and for any impairment in value. If the Group's share of losses of a joint venture exceeds its interest in the joint venture, the Company discontinues recognizing its share of further losses.

### **3.5 Intangible assets**

#### **3.5.1 Intangible assets acquired separately**

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to statement of profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization periods and methods are reviewed annually and adjusted if appropriate.  
The Group's intangible assets have a useful life of 1 - 3 years.

### **3.6 Property, plant and equipment**

#### **3.6.1 Initial recognition**

All items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land and buildings which are reported at their revalued amount net of accumulated depreciation and/or accumulated impairment losses. Acquisition costs include the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria is satisfied.

#### **3.6.2 Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 3.6.3 Depreciation

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated. Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work-in-progress) are not depreciated.

Depreciation on property, plant and equipment and operating lease assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	2%
Furniture and fittings	20%
Plant and machinery	20%
Motor vehicles/autos and trucks	20%
Office equipment	20%
Marine equipment	5%
Leased assets	20%
Cranes	10%

The assets' residual values and useful lives are reviewed at the end of each reporting year and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

### 3.6.4 Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the statement of profit or loss as operating income.

When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

### 3.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, labour and production overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 3.8 Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

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 asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 3.9. Financial assets and liabilities

#### 3.9.1. Initial recognition

The Group initially recognises loans and advances, finance lease receivables, lease receivables, equity securities and/or other debt financial assets on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus, (for an item not at fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### a. Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gains/(losses) from financial instruments. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### b. Amortised cost and gross carrying amount

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

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for

#### c. Effective interest rate method

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

For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

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

#### d. Interest income

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

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

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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

### Financial assets - Subsequent measurement

#### a. Debt instruments

The classification and subsequent measurement of debt instruments depend on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Group classifies its debt instruments into one of the following measurement categories:

- b. Amortised cost:** Assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.
- c. Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net other gains/(losses)". Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

- d. Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement within "Net gains/(losses) from financial instruments classified as held for trading" in the period in which it arises. Interest income from these financial assets is included in "Interest and similar income".

### 3.9.3. Business Model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **3.9.4. SPPI assessment**

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

### **3.9.5. Reclassifications**

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### **3.9.6. Modifications**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset.

In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the Customer, then the gain or loss is

#### **Equity instruments**

The Group subsequently measures all unquoted equity investments at fair value through other comprehensive income. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **3.9.7. Impairment of financial assets**

#### **Overview of the ECL principles**

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its loans and advances, finance lease receivables, plant and equipment lease receivables, securities instrument and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering if it is 30 days past due. Based on the above process, the Group's loans and advances, finance lease receivables, Plant and equipment lease receivables, into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** When loans and advances, finance lease receivables, Plant and equipment lease receivables, are first recognised, the Group recognises an allowance based on 12 months expected credit losses (12mECLs). Stage 1 loans and advances, finance lease receivables, Plant and equipment lease receivables also include receivables where the credit risk has improved and the loans and advances, finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 2.
- **Stage 2:** When a loans and advances, finance lease receivables, Plant and equipment lease receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 loans and advances also include facilities, where the credit risk has improved and the loans and advances, finance lease receivables, Plant and equipment lease receivables have been reclassified from Stage 3.
- **Stage 3:** These are loans and advances, finance lease receivables, Plant and equipment lease receivables considered as credit-impaired. The Group records an allowance for the LTECLs.

### The calculation of ECLs

The Group calculates ECLs based on a single scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements 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 assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including part repayments of total debts or amount owed and whether scheduled by contract or otherwise.
- **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 Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

When estimating the ECLs, the Group considers only a single scenario which is considered to be the most likely scenario. When relevant, the assessment also incorporates how defaulted debts are expected to be recovered, including the probability that the loans and advances will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier, with the exception of revolving facilities which could extend beyond the contractual life.

The mechanics of the ECL method are summarised below:

### Stage 1

- The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

### Stage 2

When a loans and advances, finance lease receivables, Plant and equipment lease receivables debt has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

### Stage 3

For loans and advances, finance lease receivables, Plant and equipment lease receivables debt considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans and advances, finance lease receivables, Plant and equipment lease receivables. The method is similar to that for Stage 2 assets, with the PD set at 100%.

### POCI

POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Group would not otherwise consider;
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties, or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Group of financial assets;
- the financial asset is 90 days and above past due.

A loans and advances, finance lease receivables, Plant and equipment lease receivables debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans and advances that is

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

overdue for 90 days or more is considered impaired.

### 3.9.8. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

### 3.9.9. Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

### 3.9.9. Purchased or originated credit impaired financial assets (POCI)

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Group only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

### 3.9.11. Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realisation of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Group. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

### 3.9.12. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- Prime lending
- Inflation rates

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### - Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in the financial statements.

### 3.9.13. Financial liabilities

#### ***Classification and subsequent measurement***

In both the current and prior period, all financial liabilities are classified and subsequently measured at amortised cost except for loan commitments and financial guarantee contracts.

#### ***Derecognition***

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

#### **Financial guarantee contracts , loans and borrowings and other commitments**

Financial guarantees contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, other financial institutions on behalf of subsidiary, connected entity, directors, staff to secure loans, overdrafts and other banking facilities.

Loans and borrowings and other commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the amount of loss allowance and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loans and borrowings and other commitments and financial guarantee contracts, the loss allowance is recognised as a provision.

### 3.10. Fair value measurement

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

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **3.10. Fair value measurement**

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

#### **3.10.1 Write off**

The Group writes off a financial asset (and any related allowances for impairment losses) when the Group's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

#### **3.10.2 Financial assets measured at fair value through other comprehensive income**

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. If in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

#### **3.10.3 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **3.11 Trade and other receivables**

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. See further details in Note 3.9.

### **3.12 Cash and cash equivalents**

Cash equivalents comprises short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of preparing the statement of cash flows, cash and cash equivalents are reported net of overdrafts.

### **3.13 Lease contract with lessor**

Leases are divided into finance leases and operating leases.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **3.13.1 The Group is the lessor**

##### **3.13.1.1 Operating leases**

When assets are subject to an operating lease, the assets continue to be recognised as property, plant and equipment based on the nature of the asset.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Any balloon payments and rent free periods are taken into account when determining the straight-line charge.

##### **3.13.1.2 Finance leases**

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. See further details in Note 3.9

#### **3.13.2 The Group is the lessee**

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

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

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



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

Lease payments are apportioned between interest expenses and capital redemption of the liability, Interest is recognised immediately in profit or loss, unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Lease payments included in the measurement of the lease liability are made up of the following:

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leased office space for its branch operations. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.14 Trade and other payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

### **3.15 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

### **3.16 Retirement benefits**

#### **3.16.1 Defined contribution plan**

The Group runs a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

Under the defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employees contribute 8% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes 10% to make a total contribution of 18% of the total emoluments as required by the Pension Reform Act 2004. The Group's contribution to the pension's scheme is charged to the profit or loss account.

### **3.16.2 Termination benefits**

Termination benefits are recognized as an expense when the Group is demonstrably committed without realistic possible withdrawal, to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### **3.16.3 Short term employee benefits**

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## **3.17 Taxes**

### **3.17.1 Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **3.17.2 Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

-Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

-In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to fair value re-measurement of fair value through OCI investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the statement of profit or loss together with the deferred gain or loss on disposal.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity. The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank's intention to settle on a net basis.

### **3.18 Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

### **3.19 Revenue recognition**

This relates to the provision of service or sale of goods to customers, exclusive of value added tax and less any discounts. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is possible, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

#### **3.19.1 Income from property, plant and equipment for lease**

Lease income from property, plant and equipment for lease is recognised in statement of profit or loss on a straight-line basis over the lease term on a systematic basis which is representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred by the Group in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. When an operating lease is terminated before the lease period has expired, any payment required by the lessee by way of penalty is recognised in profit or loss in the period in which termination takes place.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **3.19.2 Income from finance leases**

The recognition of income from finance lease is based on a pattern reflecting a constant periodic rate of return on Group's net investment in the finance lease. The Group therefore allocates finance income over the lease term on a systematic and rational basis reflecting this pattern. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

### **3.19.3 Personnel outsourcing income**

The Group is involved with outsourcing contracts in which human capital of varying skills are outsourced to various organisations. The Group pays the remuneration of such personnel on a monthly basis and invoice the clients costs incurred plus a margin. As costs and income associated with this service can be estimated reliably and service completed.

### **3.19.4 Service charge income**

This represents charges for other services rendered to finance lease customers. The services are rendered periodically on a monthly basis and income is recognised when all the followings are satisfied:

- i) The amount of revenue can be measured reliably
- ii) It is probable that the economic benefits associated with the transaction will flow to the group
- iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably and
- iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

### **3.19 Revenue recognition-continued**

#### **3.19.5 Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

#### **3.19.6 Rental income**

Rental income is recognized on an accrued basis.

#### **3.19.7 Realised gains and losses**

The realised gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

### **3.20 Foreign currency translation**

#### **3.20.1 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the entities within the Group. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs; where those interest costs qualify for capitalization to assets under construction;
- Exchange differences on transactions entered into to hedge foreign currency risks;
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

In the separate financial statements of the parent (C&I Leasing Plc), exchange differences arising from the translation of the net investments in foreign operations are recognised in the statement of profit or loss. The deferred tax arising from the recognition of the foreign currency translation differences is also recognised in the statement of profit or loss.

However, in the consolidated financial statements (where the foreign operations are subsidiaries), these exchange differences are initially recorded in other comprehensive income (OCI) and accumulated in a separate equity component. The deferred tax on the foreign currency translation difference is also recognised in the statement of other comprehensive income.

### 3.20.2 Foreign operations

The functional currency of the parent Group and the presentation currency of the financial statements is the Nigerian Naira. The assets and liabilities of the Group's foreign operations are translated to Naira using exchange rates at the period end. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rate on transaction date is used. Goodwill acquired in business combinations of foreign operations are treated as assets and liabilities of that operation and translated at the closing rate.

Exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in a separate category of equity.

### 3.21 IAS 29 Financial Reporting in Hyper-inflationary Economies

The separate financial statements of the reporting year 2023 of the Ghana subsidiary were restated and consolidated in compliance with IAS 29 Financial reporting in hyperinflationary economies, the Group's prior year figures were not restated in line with IAS 21 paragraph 42(b).

The standard requirements were applied as follows:

**-Income statement items:** Income statement line items were restated by multiplying the historical cost by the CPI conversion factor (CPI at reporting period/CPI at transaction date) as stated in Note 55.

**-Monetary assets and liabilities:** Monetary assets and liabilities were not restated, as they are stated in the current measuring unit at the closing of the reporting fiscal year.

**-Non Monetary assets and liabilities:** Non monetary assets and liabilities were restated by multiplying carrying value by the CPI conversion factor (CPI at reporting period/CPI at acquisition date).

- Non-monetary items measured at their current values at the end of the reporting fiscal year, such as net realizable value or others, were not restated.

The profit from the net monetary position is included in the profit or loss for the reporting fiscal year, and disclosed as a separate item as gain on Net Monetary Position. The gain on net monetary position was estimated by taking difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income.

#### Foreign currency translation

The Ghana's subsidiary's financial statement line items (assets, liabilities, equity, income and expense) were translated using closing rate in line with IAS 21 paragraph 42.

The Group has adopted the policy choice to present the IAS 21 translation effect through OCI as these amount represents the exchange difference on translating the share capital at closing exchange rate.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **4. Segment reporting**

The Group's operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, the Group's Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer group and business activity by geographical region.

A segment is a distinguishable component of the group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

### **4. Segment reporting-continued**

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments were determined in a manner consistent with the internal reporting provided to the Executive Committee, which represents the chief operating decision-maker, as this is the information CODM uses in order to make decisions about allocating resources and assessing performance.

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

### **5. Critical accounting estimates and judgement**

The Group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgement are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the statement of profit or loss in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities within the next financial statements are discussed below:

#### **5.1 Measurement of the expected credit loss allowance**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.9.3, which also sets out key sensitivities of the ECL to changes in these elements.

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

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

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

### **5.2 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Group's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 22.

### **5.3 Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effect on the amount recognised in the financial statements:

#### **5.3.1 Determination of impairment of non-financial assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists.

#### **5.3.2 Determination of impairment of property, plant and equipment, and intangible assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

#### **5.3.3 Depreciable life of property, plant and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property, plant and equipment and will have an impact on the carrying value of these items.

#### **5.3.4 Determination of exchange rate used for translation**

The Group translates and records its foreign currency transactions and balances based on the exchange rate at which the future cash flows represented by the transactions or balances could have been settled, if those cash flows had occurred at the reporting date. The Central Bank of Nigeria Import & Export rate has been used for the translation of foreign currency balances as this remains the main source of foreign currencies for the Company's transactions. Refer to Notes 3.20.1.

### **5.4 Statement of prudential adjustments**

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected credit loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

The Central Bank of Nigeria stipulates that provisions for loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines and the expected impact/changes treated in the retained earnings as follows:

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2024**

**5.4 Statement of prudential adjustments**

- i) Where the prudential impairment allowance is greater than IFRS impairment allowance: the difference should be transferred from the retained earnings account to a non-distributable regulatory risk reserve.
- ii) Where the prudential impairment allowance is less than IFRS impairment allowance: The difference should be transferred from the regulatory risk reserve account to the retained earnings to the extent of the non-distributable reserve previously recognized.

The non-distributable reserve should be classified under equity as part of the core capital.

In line with the same directive of the CBN, the Company has reconciled the statutory credit reserve as at 31 December 2023, by comparing the provision and impairment as determined under both bases. A reconciliation of this amount is provided below:

	<b>Company</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
Total Prudential Impairment Provision (Note 28.2.2)	852,450	852,450
IFRS impairment provision (Note 28.2.1)	459,973	459,973
Difference in impairment provision balances	<b>392,476</b>	<b>392,476</b>
<b>Movement in regulatory reserve:</b>		
At 1 January	392,476	396,080
Transfer to statutory credit reserve in the year	-	<b>(3,604)</b>
<b>At 31 December</b>	<b>392,476</b>	<b>392,476</b>



## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 6. Financial instruments and fair values

As explained in Note 3.11, financial instruments have been classified into categories that determine their basis of measurement and, for items measured at fair value, such changes in fair value are recognised in the statement of comprehensive income either through the income statement or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the income statement of the statement of comprehensive income. Therefore the financial instruments carried in the statement of financial position are shown based on their classifications in the table below:

##### 6.1 Classes of financial instrument

Group	Financial assets				Financial liabilities		Total carrying amount N'000
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	
	<b>At 30 JUNE 2024</b>						
<b>Assets</b>							
Cash and balances with banks	2,738,327	-	-	-	-	-	2,738,327
Loans and receivables	-	1,286,143	-	-	-	-	1,286,143
Finance lease receivables	-	2,677,754	-	-	-	-	2,677,754
Available for sale assets	-	-	24,879	-	-	-	24,879
Trade receivables	-	14,877,002	-	-	-	-	14,877,002
Other assets	-	9,514,094	-	-	-	-	9,514,094
	<b>2,738,327</b>	<b>28,354,993</b>	<b>24,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,118,200</b>
<b>Liabilities</b>							
Balances due to banks	-	-	-	-	417,796	-	417,796
Borrowings	-	-	-	-	-	31,510,849	31,510,849
Trade payables	-	-	-	-	-	12,347,141	12,347,141
Commercial notes	-	-	-	-	-	8,795,745	8,795,745
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417,796</b>	<b>52,653,734</b>	<b>53,071,530</b>
<b>At 31 December 2023</b>							
<b>Assets</b>							
Cash and balances with banks	2,068,882	-	-	-	-	-	2,068,882
Loans and receivables	-	1,060,898	-	-	-	-	1,060,898
Finance lease receivables	-	2,148,380	-	-	-	-	2,148,380
Available for sale assets	-	-	26,613	-	-	-	26,613
Trade and other receivables	-	9,272,624	-	-	-	-	9,272,624
Other assets	-	11,030,412	-	-	-	-	11,030,412
	<b>2,068,882</b>	<b>23,512,314</b>	<b>26,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,607,808</b>
<b>Liabilities</b>							
Balances due to banks	-	-	-	-	1,486,238	-	1,486,238
Borrowings	-	-	-	-	-	17,656,354	17,656,354
Trade and other payables	-	-	-	-	-	9,235,544	9,235,544
Commercial notes	-	-	-	-	-	19,668,928	19,668,928
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,486,238</b>	<b>46,560,826</b>	<b>48,047,064</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

Company	Financial assets				Financial liabilities		Total carrying amount N'000
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	
<b>At 30 June 2024</b>							
<b>Assets</b>							
Cash and balances with banks	2,520,735	-	-	-	-	-	2,520,735
Loans and receivables	-	1,276,319	-	-	-	-	1,276,319
Finance lease receivables	-	1,063,715	-	-	-	-	1,063,715
Available for sale assets	-	-	24,879	-	-	-	24,879
Other assets	-	8,674,470	-	-	-	-	8,674,470
Trade and other receivables	-	28,889,886	-	-	-	-	28,889,886
	<b>2,520,735</b>	<b>39,904,390</b>	<b>24,879</b>	-	-	-	<b>42,450,004</b>
<b>Liabilities</b>							
Balances due to banks	-	-	-	-	404,981	-	404,981
Borrowings	-	-	-	-	-	25,112,031	25,112,031
Trade and other payables	-	-	-	-	-	-	10,511,002
Commercial notes	-	-	-	-	-	8,795,745	8,795,745
	-	-	-	-	<b>404,981</b>	<b>33,907,776</b>	<b>44,823,758</b>

Company	Financial assets				Financial liabilities		Total carrying amount N'000
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Fair value through profit or loss N'000	Amortised cost N'000	
<b>At 31 December 2023</b>							
<b>Assets</b>							
Cash and balances with banks	1,825,422	-	-	-	-	-	1,825,422
Loans and receivables	-	1,050,430	-	-	-	-	1,050,430
Finance lease receivables	-	1,195,930	-	-	-	-	1,195,930
Available for sale assets	-	-	26,613	-	-	-	26,613
Trade and other receivables	-	13,128,712	-	-	-	-	13,128,712
Other assets	-	10,585,338	-	-	-	-	10,585,338
	<b>1,825,422</b>	<b>25,960,410</b>	<b>26,613</b>	-	-	-	<b>27,812,444</b>
<b>Liabilities</b>							
Balances due to banks	-	-	-	-	1,483,761	-	1,483,761
Borrowings	-	-	-	-	-	14,645,740	14,645,740
Trade and other payables	-	-	-	-	-	5,952,481	5,952,481
Commercial notes	-	-	-	-	-	19,668,928	19,668,928
	-	-	-	-	<b>1,483,761</b>	<b>40,267,149</b>	<b>41,750,910</b>

#### 6.2 Fair valuation methods and assumptions

Cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains recognised in a separate component of equity at the end of the reporting period.

The fair value of financial assets and liabilities at amortized cost.

#### 6.3 Fair value measurements recognised in the statement of financial position

**Level 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 6.3 Fair value measurements recognised in the statement of financial position (cont'd.)

**Level 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group maintains quoted investments in the companies listed in Note 14 and were valued at N24,879,378.95 (December 2023: N12,824,369.10) which are categorised as **level 1**, because the securities are listed, however, there are no financial instruments in the level 2 and 3 categories for the year.

#### 7. Capital management

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

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

Tier 1 capital: core equity tier 1 capital including ordinary shares, statutory reserve, share premium and retained earnings, intangible assets, and

Tier 2 capital: qualifying convertible loan capital, preference shares, collective impairment allowances, non-controlling interest and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The Central Bank of Nigeria prescribed a minimum limit of 12.5% of total qualifying capital/total risk-weighted assets as a measure of capital adequacy of finance companies in Nigeria. Furthermore, a finance company is expected to maintain a ratio of not less than 1:10 between its capital funds and net credits. Total qualifying capital consists of tier 1 and 2 capital less investments in unconsolidated subsidiaries and associates. The total risk-weighted assets reflects only credit and counterparty risk.

The Group achieved capital adequacy ratio 45% at the end of the period, compared to 53% recorded for the period ended 31 December, 2023 respectively.

The table below summarises the composition of regulatory capital and the ratios of the Group for the periods presented below. During those two periods, the individual entities with the Group and the Group complied with all the externally imposed capital requirements to which they are subject.

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>Tier 1 capital</b>				
Share capital	884,573	884,573	884,573	884,573
Share premium	4,842,858	4,842,859	4,842,858	4,842,859
Deposit for share	1,975,000	-	1,975,000	-
Statutory reserve	2,132,062	2,037,558	1,724,313	1,135,719
Statutory credit reserve	351,372	351,372	392,476	396,081
Retained earnings	5,813,961	4,963,419	7,499,629	1,129,921
Non-Controlling interest	1,026,345	1,191,068	-	-
<b>Sub-Total</b>	<b>17,026,172</b>	<b>14,270,850</b>	<b>17,318,849</b>	<b>8,389,153</b>
Less: Intangible assets	(9,992)	(14,930)	(4,324)	(9,333)
Required loan loss reserve	(351,372)	(351,372)	(392,476)	(396,081)
Deferred income tax assets	(188,962)	(869,683)	-	(749,373)
<b>Total qualifying for tier 1 capital</b>	<b>16,475,845</b>	<b>13,034,865</b>	<b>16,922,049</b>	<b>7,234,366</b>
<b>Tier 2 capital</b>				
Exchange translation reserve	29,447,503	15,770,155	-	-
<b>Fair value reserve</b>	<b>21,456</b>	<b>12,195</b>	<b>21,456</b>	<b>12,195</b>
Revaluation reserve	272,178	272,178	272,178	272,178
	<b>29,741,137</b>	<b>16,054,528</b>	<b>293,634</b>	<b>284,374</b>
<b>Total qualifying for tier 2 capital (Maximum of 33.3% of tier 1 capital)</b>	<b>29,741,137</b>	<b>16,054,528</b>	<b>5,635,042</b>	<b>2,200,955</b>
<b>Total regulatory capital</b>	<b>46,216,983</b>	<b>29,089,393</b>	<b>22,557,092</b>	<b>9,435,321</b>

	%				
Cash in hand	0	-	35,051	-	35,051
Cash and balances with banks	20%	<b>2,738,327</b>	1,418,859	<b>2,520,735</b>	1,125,970
Loans and receivables	100%	<b>1,286,143</b>	543,874	<b>1,276,319</b>	526,898
Trade receivables	100%	<b>14,877,002</b>	13,308,926	<b>16,172,452</b>	11,682,825
Due to related companies	100%	-	-	<b>12,717,435</b>	5,207,439
Finance Lease Receivables	100%	<b>2,677,754</b>	2,313,173	<b>1,063,715</b>	2,221,289
Availables for saleassets	100%	<b>24,879</b>	7,335	<b>24,879</b>	7,335
Investment in subsidiaries	100%	-	-	<b>759,467</b>	759,467
Investment in joint venture	100%	<b>4,566,048</b>	2,952,373	<b>4,566,048</b>	2,952,373
Other assets	100%	<b>9,514,094</b>	647,720	<b>8,674,470</b>	561,537
Operating lease assets	100%	<b>64,598,912</b>	32,521,421	<b>15,606,673</b>	17,439,055
Property, plant and equipment	100%	<b>1,978,750</b>	1,423,705	<b>1,537,493</b>	1,204,576
<b>Total risk weighted assets</b>		<b>102,261,909</b>	55,172,436	<b>64,919,686</b>	43,723,814
<b>Risk-weighted Capital Adequacy Ratio (CAR)</b>		<b>45%</b>	53%	<b>35%</b>	22%

# C & I LEASING PLC

## NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 8. Risk management framework

The primary objective of C & I Leasing group's risk management framework is to protect the group's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

C & I Leasing Plc's principal significant risks are assessed and mitigated under three broad headings:

**Strategic risks** – This specifically focused on the economic environment, the products offered and market. The strategic risks arised from a group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.

**Operational risks** – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

**Financial risks** – Risk associated with the financial operation of the group, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the group's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

#### 8.1 Strategic risks

Capital management policies, objectives and approach.

The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by C&I Leasing Plc.

To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.

To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

To retain financial flexibility by maintaining strong liquidity.

To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.

To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

C&I Leasing's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Securities Exchange Commission (SEC), Nigerian Exchange Limited (NGX) in addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

#### 8.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- - requirements for appropriate segregation of duties, including independent authorisation of transactions.
- - requirements for the reconciliation and monitoring of transactions.
- - compliance with regulatory and other legal requirements.
- - documentataion of controls and procedures.
- - training and professional development.
- - ethical and business standards.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 8.3 Financial risks

The group's operations exposes it to a number of financial risks. Adequate risk management procedures have been established to protect the group against the potential adverse effects of these financial risks. There has been no material change in these financial risks since the prior year. The following are the risks the group is exposed to due to financial instruments:

Credit risks  
Liquidity risks  
Market risks

##### 8.3.1 Credit risks

Credit risks arise from a customer delays or outright default of lease rentals; inability to fully meet contractual obligations by customers. Exposure to this risk results from financial transactions with customers.

The group has policies in place to mitigate its credit risks.

The group's risk management policy sets out the assessment and determination of what constitutes credit risk for the group. Compliance with the policy is monitored and exposures and breaches are reported to the group's management. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The carrying amount of the group's financial instruments represents the maximum exposure to credit risk.

##### Exposure to risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	<b>Group</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
<b>Financial assets</b>		
Cash and balances with banks	2,738,327	2,068,882
Loans and receivables	1,286,143	1,060,898
Finance lease receivables	2,677,754	2,148,380
Available for sale assets	24,879	26,613
Trade receivables	14,877,002	9,272,624
Other assets	9,514,094	11,030,412
	<u>31,118,200</u>	<u>25,607,808</u>

	<b>Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
<b>Financial assets</b>		
Cash and balances with banks	2,520,735	1,825,422
Loans and receivables	1,276,319	1,050,430
Finance lease receivables	1,063,715	1,195,930
Available for sale assets	24,879	26,613
Trade and other receivables	16,172,452	11,030,160
Other assets	8,674,470	10,585,338
	<u>29,732,570</u>	<u>25,713,892</u>

##### 8.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Group maintains sufficient amount of cash for its operations. Management reviews cashflow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. Operations Committee has primary responsibility for compliance with regulations and company policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Group's assets are funded by borrowings from financial institutions. These borrowings, which are widely diversified by type and maturity, represent a stable source of funds.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 8.3.2 Liquidity risks

Below is the contractual maturities of financial liabilities in Nigerian Naira presented in the consolidated financial statements.

	Group		
	Current N'000	Non-current N'000	Total N'000
<b>30 June 2024</b>			
Balance due to banks	417,796	-	417,796
Borrowings	7,160,186	24,737,083	31,897,269
Trade payables	12,347,141	-	12,347,141
Commercial notes	8,795,745	-	8,795,745
	<u>28,720,867</u>	<u>24,737,083</u>	<u>53,457,950</u>
<b>31 December 2023</b>			
Balance due to banks	1,486,238	-	1,486,238
Borrowings	3,144,134	14,512,219	17,656,354
Trade payables	9,235,544	-	9,235,544
Commercial notes	3,771,609	15,897,319	19,668,928
	<u>17,637,526</u>	<u>30,409,538</u>	<u>48,047,064</u>
<b>Company</b>			
	Current N'000	Non-current N'000	Total N'000
<b>30 June 2024</b>			
Balance due to banks	404,981	-	404,981
Commercial notes	8,795,745	-	8,795,745
Borrowings	4,084,138	21,414,313	25,498,451
Trade payables	10,511,002	-	10,511,002
	<u>23,795,865</u>	<u>21,414,313</u>	<u>45,210,178</u>
<b>31 December 2023</b>			
Balance due to banks	1,483,761	-	1,483,761
Commercial notes	3,771,609	15,897,319	19,668,928
Borrowings	1,632,538	13,013,202	14,645,740
Trade and Other payables	5,952,481	-	5,952,481
	<u>12,840,389</u>	<u>28,910,521</u>	<u>41,750,910</u>

The Group's focus on the maturity analysis of its financial liabilities is as stated above, the Group classifies its financial liabilities into those due within one year (current) and those due after one year (non-current).

The contractual cashflows disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount stated in the financial statements which is based on the discounted cash flows using the effective interest rate.

The financial liabilities affected by discounting are the long term borrowings (including the current portion), all other financial liabilities stated are assumed to approximate their carrying values due to their short term nature and are therefore not discounted.

#### 8.3.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

#### 8.3.4 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of its foreign subsidiary as well as foreign borrowings (usually denominated in US Dollars)

The Group's principal transactions are carried out in Naira and its financial assets are primarily denominated in Nigerian Naira, except for its subsidiaries- Leasafric Ghana Limited and EPIC International FZE, U.A.E.; whose transactions are denominated in Ghanaian Cedi and United Arab Emirates' Dirhams respectively. The exposure to foreign exchange risk as a result of these subsidiaries in this period as a result of translation has been recognised in the statement of other comprehensive income .

## **C & I LEASING PLC**

### **NOTES TO THE UNAUDITED CONSOLIDATED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

The Group foreign currency risk exposure arises also from long term borrowings from Aureos Africa LLC denominated in United States Dollar. The borrowings have the option of being convertible at the end of the tenor, and as such the impact of fluctuations in these commitments on the financial statements as a whole are considered minimal and reasonable as a result of the stable market.

#### **8.3.5 Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used by the group. Interest bearing assets comprise cash and cash equivalents and loans to subsidiaries which are considered short term liquid assets. The group's interest rate liability risk arises primarily from borrowings issued at variable interest rates which exposes the group to cash flow interest rate risk. It is the group's policy to settle trade payables within the credit limit terms allowed, thereby not incurring interest on overdue balances. Borrowings are sourced from both local and foreign financial markets, covering short and long term funding.

The Group manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

#### **8.3.6 Market price risk**

Investments by the Group in available for sale financial assets expose the Group to market (equity) price risk. The impact of this risk on the financial statements is considered positive because of the continuous increase and stability in value of equities in the past few years. Furthermore, there was a positive impact on the income statement because of the portion of investment disposed off during the period - equity shares in Guaranty Trust Bank (Gross Domestic Receipt), however all other gains due to increase in market prices were recorded in the fair value reserve through the other comprehensive income.



## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 9. Statement of prudential adjustment

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for financial institutions in Nigeria stipulates that financial institutions would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.

However, Other Financial Institutions would be required to comply with the following:

- a. Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:
  - Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the retained earnings account to a "statutory credit reserve".
  - Prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the income statement. The cumulative balance in the statutory credit reserve is thereafter reversed to the retained earnings account.
- b. (b) The non-distributable reserve should be classified under equity as part of the core capital.

During the period ended 30 June 2024, the Company has transferred NIL (31 December 2023: N(367,011,569.44) to the statutory credit reserve. This is because the provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN), is higher than the impairment allowance as determined in line with IAS 39 as at the period then ended.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>10. Cash and balances with banks</b>				
Cash in hand	-	5,181	-	5,181
Current balances with banks	<u>2,738,327</u>	<u>2,063,701</u>	<u>2,520,735</u>	<u>1,820,241</u>
	<u><b>2,738,327</b></u>	<u><b>2,068,882</b></u>	<u><b>2,520,735</b></u>	<u><b>1,825,422</b></u>
<b>11. Loans and receivables</b>				
Lease rental due	<u>1,404,725</u>	<u>1,097,855</u>	<u>1,404,725</u>	<u>1,097,855</u>
Loans and advances	<u>49,221</u>	<u>50,687</u>	<u>39,397</u>	<u>40,219</u>
	<u>1,453,946</u>	<u>1,148,542</u>	<u>1,444,122</u>	<u>1,138,074</u>
Impairment allowance (Note 11.4)	<u>(167,803)</u>	<u>(87,644)</u>	<u>(167,803)</u>	<u>(87,644)</u>
	<u><b>1,286,143</b></u>	<u><b>1,060,898</b></u>	<u><b>1,276,319</b></u>	<u><b>1,050,430</b></u>
<b>11.1 Analysis of loans and receivables by security</b>				
Secured	-	-	-	-
Otherwise secured	<u>1,453,946</u>	<u>1,148,542</u>	<u>1,444,122</u>	<u>1,138,074</u>
	<u><b>1,453,946</b></u>	<u><b>1,148,542</b></u>	<u><b>1,444,122</b></u>	<u><b>1,138,074</b></u>
<b>11.2 Loans and receivables are further analysed as follows:</b>				
Less than one year	<u>848,034</u>	<u>669,903</u>	<u>842,304</u>	<u>663,797</u>
More than one year and less than five years	<u>605,911</u>	<u>478,639</u>	<u>601,817</u>	<u>474,276</u>
	<u><b>1,453,946</b></u>	<u><b>1,148,542</b></u>	<u><b>1,444,122</b></u>	<u><b>1,138,074</b></u>
<b>11.3 Impairment allowance on loans and receivables</b>				
Lease rental due	<u>127,690</u>	<u>47,531</u>	<u>127,690</u>	<u>47,531</u>
Loans and advances	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>
	<u><b>167,803</b></u>	<u><b>87,644</b></u>	<u><b>167,803</b></u>	<u><b>87,644</b></u>
<b>11.4 Analysis of impairment allowance - Lease rental due</b>				
Specific impairment	<u>40,113</u>	<u>47,531</u>	<u>40,113</u>	<u>47,531</u>
Collective impairment	<u>127,690</u>	<u>40,113</u>	<u>127,690</u>	<u>40,113</u>
	<u><b>167,803</b></u>	<u><b>87,644</b></u>	<u><b>167,803</b></u>	<u><b>87,644</b></u>

## C&I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>11.6 Analysis of impairment allowance - Loans and advances</b>				
Specific impairment	40,113	40,113	40,113	40,113
	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>
<b>11.6.1 Movement in impairment allowance - Loans and advances</b>				
At the beginning of the year	40,113	40,113	40,113	40,113
(Write back)/(Charge for the period)	-	-	-	-
<b>At the end of the year</b>	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>	<u>40,113</u>
<b>12. Trade receivables</b>				
Trade receivables	-	-	-	-
Operating lease service receivables	12,966,446	9,088,252	11,186,057	7,653,062
Account receivables	2,358,402	526,192	5,266,434	3,632,216
Other debit balances	-	-	-	-
Insurance receivables	32,283	13,898	-	-
	15,357,132	9,628,342	16,452,491	11,285,277
Impairment allowance	(480,130)	(355,718)	(280,039)	(255,118)
	<u>14,877,002</u>	<u>9,272,624</u>	<u>16,172,452</u>	<u>11,030,160</u>
<b>12.1 Amount due from related companies</b>				
Leasafric Ghana	-	-	(334,635)	(312,318)
C & I Leasing FZE	-	-	75,326	75,326
EPIC International FZE, United Arab Emirates	-	-	12,984,429	2,350,942
Impairment	-	-	(7,686)	(15,398)
	<u>-</u>	<u>-</u>	<u>12,717,435</u>	<u>2,098,552</u>
<b>13. Finance lease receivables</b>				
Gross finance lease receivable	3,853,671	3,544,466	2,230,759	2,590,026
Unearned lease interest/maintenance	(1,171,471)	(1,394,774)	(1,162,597)	(1,392,784)
<b>Net investment in finance lease</b>	2,682,200	2,149,692	1,068,161	1,197,242
Impairment allowance (Note 13.4)	(4,446)	(1,312)	(4,446)	(1,312)
	<u>2,677,754</u>	<u>2,148,380</u>	<u>1,063,715</u>	<u>1,195,930</u>
<b>13.2 The net investment in finance lease may be analysed as follows:</b>				
Less than one year	2,365,834	1,896,135	1,012,485	1,134,838
More than one year and less than five years	316,367	253,557	55,676	62,404
	<u>2,682,200</u>	<u>2,149,692</u>	<u>1,068,161</u>	<u>1,197,242</u>
<b>13.3 Analysis into current portion and non-current portion</b>				
Current portion	2,365,834	1,896,135	1,012,485	1,134,838
Non-current portion	316,367	253,557	55,676	62,404
	<u>2,682,200</u>	<u>2,149,692</u>	<u>1,068,161</u>	<u>1,197,242</u>
<b>13.4 Analysis of impairment allowance - Finance lease receivables</b>				
Specific impairment	4,446	1,312	4,446	1,312
Collective impairment	-	-	-	-
	<u>4,446</u>	<u>1,312</u>	<u>4,446</u>	<u>1,312</u>
<b>13.4.1 Movement in impairment allowance - Finance lease receivables</b>				
At the beginning of the year	1,312	54,794	1,312	1,527
Additional provision	3,134	(53,482.3)	3,134	(215)
<b>At the end of the year</b>	<u>4,446</u>	<u>1,312</u>	<u>4,446</u>	<u>1,312</u>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>14. Available for sale assets</b>				
<b>14.1 Listed and unlisted equities - at fair value</b>				
First Bank of Nigeria Plc	16,500	16,500	16,500	16,500
Fidelity Bank Plc	12,000	12,000	12,000	12,000
Diminution	(3,621)	(1,887)	(3,621)	(1,887)
	<u>24,879</u>	<u>26,613</u>	<u>24,879</u>	<u>26,613</u>
<b>15. Investment in subsidiaries</b>				
Leasafric Ghana Limited	-	-	754,736	754,736
EPIC International FZE, United Arab Emirates	-	-	4,231	4,231
C & I Leasing FZE	-	-	500	500
	<u>-</u>	<u>-</u>	<u>759,467</u>	<u>759,467</u>

#### 15.1 Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activity	Country of incorporation	Percentage held	Statutory year end
Leasafric Ghana Limited (Note 15.1.1)	Leasing	Ghana	70.89%	31 December
EPIC International FZE, United Arab Emirates (U.A.E.) (Note 15.1.4)	Trading in ships and boats	United Arab Emirates	100%	31 December
C & I Leasing FZE	Leasing	Nigeria	99%	31 December

##### 15.1.1 Leasafric Ghana Limited

Leasafric Ghana Limited is a company incorporated in Ghana under the Companies Code, 1963 (Act 179) of Ghana as a Ghanaian company authorised by the Bank of Ghana to provide leasing business. Leasafric Ghana was incorporated in Ghana. The requisite approval for C&I Leasing Plc investment in Leasafric Ghana was obtained from Central Bank of Nigeria.

##### 15.1.2 EPIC International FZE, U.A.E.

EPIC International FZE, Ras Al khaimah United Arab Emirates (U.A.E.) was incorporated on 15 June 2011 as a Free Zone Establishment (FZE) under a Commercial License #5006480 issued by the Ras Al Khaimah Free Trade Zone, Ras Al Khaimah, U.A.E. The Company is registered under UAE Federal Law No.(8) of 1984 and 1988 as amended. The licensed activities of the Company is trading in ships and boats, its parts, components and automobile.

**15.1.3** C & I Leasing FZE was incorporated on 18 December, 2017 as a Free Zone Establishment (FZE) under the companies licensed by the Dangoe Industries Free Zone Development Company under Act 63 of 1992 by the Nigeria Export Processing Zones Authority (NEPZA) as a service rendering enterprise.

#### 15.2 Condensed results of consolidated entities

The consolidated results of the consolidated entities of C & I Leasing Plc are shown in Note 15.2.1.

The C&I Leasing Group in the condensed results includes the results of the underlisted entities:

C&I Leasing Plc  
Leasafric Ghana Limited  
EPIC International FZE, U.A.E.  
C & I Leasing FZE

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 15.2.1 Condensed results of consolidated entities

30 June 2024

	Parent - C&I Leasing Plc N'000	Leasafriic Ghana Limited N'000	C & I LeasingI FZE N'000	EPIC International FZE, U.A.E N'000	Total N'000	Elimination N'000	Group N'000
<b>Condensed income statement</b>							
<b>Gross earnings</b>	<b>13,122,493</b>	<b>3,720,581</b>	-	<b>2,886,135</b>	<b>19,729,210</b>	-	<b>19,729,210</b>
Net operating income/(Loss)	3,046,928	1,669,616	-	2,881,848	<b>7,598,392</b>	(1,534,134)	<b>6,064,258</b>
Impairment charge	(1,734)	(12,616)	-	-	<b>(14,350)</b>	-	<b>(14,350)</b>
Depreciation expense	(826,257)	(977,860)	-	(1,341,881)	<b>(3,145,998)</b>	-	<b>(3,145,998)</b>
Personel expenses	(626,743)	(260,847)	-	-	<b>(887,590)</b>	-	<b>(887,590)</b>
Other operating expenses	(676,625)	(173,814)	-	(5,833)	<b>(856,272)</b>	-	<b>(856,272)</b>
<b>Profit/(loss) before tax</b>	<b>915,568</b>	<b>244,479</b>	-	<b>1,534,134</b>	<b>2,694,181</b>	-	<b>1,160,047</b>
Income tax	(72,583)	(100,507)	-	-	<b>(173,091)</b>	-	<b>(173,091)</b>
<b>Profit/(loss) after tax</b>	<b>842,985</b>	<b>143,972</b>	-	<b>1,534,134</b>	<b>2,521,091</b>	-	<b>986,957</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2024

30 June 2024

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasing FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
<b>Assets</b>							
Cash and balances with banks	2,520,735	212,764	100	4,729	2,738,327		2,738,327
Loans and receivables	1,276,319	9,824	-	-	1,286,143	-	1,286,143
Trade receivables	16,172,452	2,118,065	218,183	-	18,508,700	(3,631,699)	14,877,002
Due from related companies	12,717,435	429,741	(75,326)	(18,215,855)	(5,144,006)	5,144,006	-
Finance lease receivables	1,063,715	1,614,039	-	-	2,677,754		2,677,754
Available for sale financial assets	24,879	-	-	-	24,879		24,879
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in joint ventures	4,566,048	-	-	-	4,566,048		4,566,048
Other assets	8,674,470	810,284	29,341	-	9,514,094	-	9,514,094
Operating lease assets	15,606,673	5,915,200	-	42,630,988	64,152,861	446,051	64,598,912
Property, plant and equipment	1,537,493	441,257	-	-	1,978,750		1,978,750
Intangible assets	4,324	5,669	-	0.12	9,992		9,992
Deferred income tax assets	-	188,962	-	-	188,962		188,962
<b>Total assets</b>	<b>64,924,009</b>	<b>11,745,803</b>	<b>172,298</b>	<b>24,419,861</b>	<b>101,261,972</b>	<b>1,198,891</b>	<b>102,460,863</b>
<b>Liabilities and equity</b>							
Balances due to banks	404,981	12,815	-	-	417,796		417,796
Commercial notes	8,795,745	-	-	-	8,795,745		8,795,745
Borrowings	25,112,031	6,398,818	-	-	31,510,849	-	31,510,849
Trade payables	10,511,002	1,772,880	66,838	11,040,094	23,390,815	(11,043,674)	12,347,141
Retirement benefit obligations	31,529	-	-	-	31,529		31,529
Current income tax liability	635,122	134,256	-	-	769,378		769,378
Deferred income tax assets	3,796,115	-	-	-	3,796,115		3,796,115
Equity and reserves	15,637,483	3,427,034	105,460	13,379,767	32,549,745	12,242,564	44,792,309
<b>Total liabilities and equity</b>	<b>64,924,008</b>	<b>11,745,803</b>	<b>172,298</b>	<b>24,419,861</b>	<b>101,261,971</b>	<b>1,198,891</b>	<b>102,460,862</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2023

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasing FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
<b>Condensed income statement</b>							
<b>Gross earnings</b>	<u>19,129,619</u>	<u>3,543,215</u>	<u>-</u>	<u>2,828,217</u>	<u>25,501,051</u>	<u>-</u>	<u>25,501,051</u>
Operating income	4,478,068	1,760,416	-	2,801,607	9,040,092	(1,543,307)	7,496,785
Impairment charge	15,094	(14,080)	-	-	1,015	-	1,015
Depreciation and amortisation	(1,863,512)	(618,734)	-	(1,241,823)	(3,724,070)	-	(3,724,070)
Personel expenses	(1,036,714)	(251,859)	-	-	(1,288,573)	-	(1,288,573)
Other operating expenses	<u>(935,613)</u>	<u>(201,389)</u>	<u>-</u>	<u>(1,559,785)</u>	<u>(2,696,787)</u>	<u>1,543,307</u>	<u>(1,153,480)</u>
<b>Profit/(Loss) before tax</b>	<u>657,323</u>	<u>674,354</u>	<u>-</u>	<u>-</u>	<u>1,331,677</u>	<u>-</u>	<u>1,331,677</u>
Income tax expense	<u>(91,872)</u>	<u>(245,930)</u>	<u>-</u>	<u>-</u>	<u>(337,802)</u>	<u>-</u>	<u>(337,802)</u>
<b>Profit/(loss) after tax</b>	<u><b>565,451</b></u>	<u><b>428,424</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>993,875</b></u>	<u><b>-</b></u>	<u><b>993,875</b></u>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 15.2.1 Condensed results of consolidated entities (Cont'd)

31 December 2023

Condensed statement of financial position

	C&I Leasing Plc N'000	Leasafric Ghana Limited N'000	C & I Leasing FZE	EPIC International FZE, U.A.E N'000	Total N'000	Elimination adjustments N'000	Group N'000
<b>Assets</b>							
Cash and balances due from banks	1,825,422	240,445	100	2,915	2,068,882		2,068,882
Loans and receivables	1,050,430	10,468	-	-	1,060,898	-	1,060,898
Trade and other receivables	11,030,160	1,284,465	218,183	-	12,532,808	(3,260,184)	9,272,624
Due from related companies	2,098,552	335,244	(75,326)	(13,196,230)	(10,837,760)	10,837,760	0
Finance lease receivables	1,195,930	952,450	-	-	2,148,380		2,148,380
Available for sale financial assets	26,613	-	-	-	26,613		26,613
Investment in subsidiaries	759,467	-	-	-	759,467	(759,467)	-
Investment in joint ventures	3,871,665	-	-	-	3,871,665		3,871,665
Other assets	10,585,338	415,733	29,341	-	11,030,412	-	11,030,412
Operating lease assets	16,285,446	3,612,827	-	27,098,566	46,996,839		46,996,839
Property, plant and equipment	1,589,529	211,822	-	-	1,801,352		1,801,352
Intangible assets	9,333	5,597	-	0.07	14,930		14,930
Deferred income tax assets	749,373	120,309	-	-	869,683		869,683
<b>Total assets</b>	<b>51,077,257</b>	<b>7,189,361</b>	<b>172,298</b>	<b>13,905,250</b>	<b>72,344,167</b>	<b>6,818,109</b>	<b>79,162,276</b>
<b>Liabilities and equity</b>							
Balances due to banks	1,483,761	2,477	-	-	1,486,238		1,486,238
Commercial notes	19,668,928	-	-	-	19,668,928		19,668,928
Borrowings	14,645,740	3,010,614	-	-	17,656,354	-	17,656,354
Trade payables	5,952,481	1,463,583	66,838	5,012,826	12,495,728	(3,260,184)	9,235,544
Retirement benefit obligations	73,032	-	-	-	73,032		73,032
Current income tax liability	579,788	137,013	-	-	716,801		716,801
Equity and reserves	8,673,527	2,575,674	105,460	8,892,424	20,247,085	10,078,293	30,325,378
<b>Total liabilities and equity</b>	<b>51,077,257</b>	<b>7,189,361</b>	<b>172,298</b>	<b>13,905,250</b>	<b>72,344,167</b>	<b>6,818,109</b>	<b>79,162,276</b>



## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024 N'000</b>	<b>31 December 2023 N'000</b>	<b>30 June 2024 N'000</b>	<b>31 December 2023 N'000</b>
<b>16. Other assets</b>				
<b>Non-financial assets:</b>				
Prepayments	955,954	489,118	633,092	376,225
Withholding tax receivables	3,944,823	6,691,176	3,808,559	6,593,491
Value added tax receivables	89,931	66,207		
Consumables	4,523,387	3,783,911	4,232,819	3,615,622
<b>Net other assets balance</b>	<b>9,514,094</b>	<b>11,030,412</b>	<b>8,674,470</b>	<b>10,585,338</b>

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## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 17. Operating lease assets

	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
<b>Cost</b>						
At 1 January 2024	18,407,730	36,856	61,787,528	-	86,554	80,318,668
Additions	1,920,027	7,366	56,715	-	-	1,984,108
Disposal	(232,131)	-	-	-	-	(232,131)
Translation difference	3,111,355	-	24,621,081	-	22,497	27,754,933
<b>At 30 June 2024</b>	<b>23,206,981</b>	<b>44,222</b>	<b>86,465,324</b>	<b>-</b>	<b>109,051</b>	<b>109,825,578</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	11,642,745	36,658	21,562,702	-	79,725	33,321,830
Charge for the year	1,315,075	156	1,750,576	-	850	3,066,657
Disposal	(208,884)	-	-	-	-	(208,884)
Translation Difference	1,664,011	-	7,360,556	-	22,496	9,047,063
<b>At 30 June 2024</b>	<b>14,412,947</b>	<b>36,813</b>	<b>30,673,835</b>	<b>-</b>	<b>103,071</b>	<b>45,226,666</b>
<b>Carrying amount</b>						
<b>At 30 June 2024</b>	<b>8,794,035</b>	<b>7,408</b>	<b>55,791,489</b>	<b>-</b>	<b>5,980</b>	<b>64,598,912</b>
	Autos and trucks N'000	Office equipment N'000	Marine equipment N'000	Construction in progress N'000	Cranes N'000	Total N'000
<b>Cost</b>						
At 1 January 2023	11,033,428	36,856	41,850,974	-	59,004	52,980,262
Additions	2,930,908	0	339,282	-	-	3,270,190
Reclassification	1,605	-	-	-	-	1,605
Ajustment/Reclassification	-	-	-	-	-	-
Hyperinflation Ghana	806,793	-	-	-	-	806,793
Disposals in the period	(1,327,296)	-	-	-	-	(1,327,296)
Translation Difference	4,962,292	-	19,597,272	-	27,550	24,587,114
<b>At 31 December 2023</b>	<b>18,407,730</b>	<b>36,856</b>	<b>61,787,528</b>	<b>-</b>	<b>86,554</b>	<b>80,318,668</b>
<b>Accumulated depreciation</b>						
At 1 January 2023	7,654,625	36,253	13,850,896	-	50,077	21,591,851
Charge for the year	2,249,330	584	2,248,867	-	2,100	4,500,880
Disposals in the period	(1,222,747)	(179)	-	-	-	(1,222,926)
Translation Difference	2,961,537	-	5,462,940	-	27,548	8,452,026
<b>At 31 December 2023</b>	<b>11,642,745</b>	<b>36,658</b>	<b>21,562,702</b>	<b>-</b>	<b>79,725</b>	<b>33,321,830</b>
<b>Carrying amount</b>						
<b>At 31 December 2023</b>	<b>6,764,985</b>	<b>198</b>	<b>40,224,826</b>	<b>-</b>	<b>6,829</b>	<b>46,996,838</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 17. Operating lease assets

	<b>Autos and trucks N'000</b>	<b>Office equipment N'000</b>	<b>Marine equipment N'000</b>	<b>Construction in progress N'000</b>	<b>Cranes N'000</b>	<b>Total N'000</b>
<b>Cost</b>						
At 1 January 2024	7,676,921	36,856	22,958,860	-	21,000	30,693,637
Additions	135,263	7,366	-	-	-	142,629
Disposal	(19,511)	-	-	-	-	(19,511)
<b>At 30 June 2024</b>	<b>7,792,674</b>	<b>44,222</b>	<b>22,958,860</b>	<b>-</b>	<b>21,000</b>	<b>30,816,756</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	4,524,787	36,658	9,832,600	-	14,175	14,408,220
Disposal	(6,327)	-	3,115	-	-	(3,212)
Charge for the period	395,374	156	408,695	-	850	805,075
<b>At 30 June 2024</b>	<b>4,913,834</b>	<b>36,814</b>	<b>10,244,410</b>	<b>-</b>	<b>15,025</b>	<b>15,210,083</b>
<b>Carrying amount At 30 June 2024</b>	<b>2,878,840</b>	<b>7,408</b>	<b>12,714,450</b>	<b>-</b>	<b>5,975</b>	<b>15,606,673</b>
	<b>Autos and trucks N'000</b>	<b>Office equipment N'000</b>	<b>Marine equipment N'000</b>	<b>Construction in progress N'000</b>	<b>Cranes N'000</b>	<b>Total N'000</b>
<b>Cost</b>						
At 1 January 2023	6,102,736	36,856	22,958,860	-	21,000	29,119,453
Additions	1,604,635	-	-	-	-	1,604,635
Disposal in the year	(30,450)	-	-	-	-	(30,450)
<b>At 31 December 2023</b>	<b>7,676,921</b>	<b>36,856</b>	<b>22,958,860</b>	<b>-</b>	<b>21,000</b>	<b>30,693,637</b>
<b>Accumulated depreciation</b>						
At 1 January 2023	3,597,257	36,074	8,959,294	-	12,075	12,604,700
Charge for the year	938,767	584	873,306	-	2,100	1,814,757
Disposals in the year	(11,265)	-	-	-	-	(11,265)
<b>At 31 December 2023</b>	<b>4,524,759</b>	<b>36,658</b>	<b>9,832,600</b>	<b>-</b>	<b>14,175</b>	<b>14,408,192</b>
<b>Carrying amount At 31 December 2023</b>	<b>3,152,162</b>	<b>198</b>	<b>13,126,260</b>	<b>-</b>	<b>6,825</b>	<b>16,285,445</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 18. Property, plant and equipment

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
<b>Valuation/Cost</b>									
At 1 January 2024	1,189,589	110,239	508,650	123,165	335,243	1,251,149	77,239	11,133	3,606,407
Additions	1,396	6,711	27,186	471	-	-	-	-	35,764
Disposal	(33,234)	-	(1,100)	-	-	-	-	-	(34,333)
Transfer/Reclassifications	-	-	-	-	(6,217)	-	-	-	(6,217)
Exchange difference	433,382	14,907	48,681	7,642	5,832	53,942	-	-	564,386
<b>At 30 June 2024</b>	<b>1,591,134</b>	<b>131,857</b>	<b>583,417</b>	<b>131,277</b>	<b>334,858</b>	<b>1,305,091</b>	<b>77,239</b>	<b>11,133</b>	<b>4,166,007</b>
<b>Accumulated depreciation</b>									
At 1 January 2024	1,049,451	102,616	424,484	68,882	148,489	-	-	11,133	1,805,056
Disposal	(33,234)	-	(69)	-	52,847	-	-	-	19,545
Charge for the period	43,849	2,409	19,914	6,406	6,763	-	-	-	79,341
Exchange difference	251,667	5,640	18,686	2,376	4,948	-	-	-	283,317
<b>At 30 June 2024</b>	<b>1,311,734</b>	<b>110,664</b>	<b>463,016</b>	<b>77,664</b>	<b>213,048</b>	<b>-</b>	<b>-</b>	<b>11,133</b>	<b>2,187,259</b>
<b>Carrying amount At 30 June 2024</b>	<b>279,400</b>	<b>21,193</b>	<b>120,401</b>	<b>53,613</b>	<b>121,810</b>	<b>1,305,091</b>	<b>77,239</b>	<b>-</b>	<b>1,978,748</b>
<b>Valuation/Cost</b>									
At 1 January 2023	725,139	96,075	428,255	73,591	263,196	158,734	77,239	11,133	1,833,363
Revaluation surplus	-	-	-	-	67,978	154,832	-	-	222,810
Additions	60,876	-	17,212	39,328	6,217	911,990	-	-	1,035,623
Disposal in the year	-	-	-	-	(13,500)	-	-	-	(13,500)
Exchange difference	403,575	14,164	63,182	10,246	11,351	25,593	-	-	528,111
<b>At 31 December 2023</b>	<b>1,189,589</b>	<b>110,239</b>	<b>508,650</b>	<b>123,165</b>	<b>335,243</b>	<b>1,251,149</b>	<b>77,239</b>	<b>11,133</b>	<b>3,606,407</b>
<b>Accumulated depreciation</b>									
At 1 January 2023	691,127	90,463	378,213	62,864	199,247	-	-	11,133	1,433,048
Charge for the year	2,982	5,222	8,224	4,252	10,094	-	-	-	30,774
Exchange difference	355,342	6,931	38,048	1,766	(60,852)	-	-	-	341,234
<b>At 31 December 2023</b>	<b>1,049,451</b>	<b>102,616</b>	<b>424,484</b>	<b>68,882</b>	<b>148,489</b>	<b>-</b>	<b>-</b>	<b>11,133</b>	<b>1,805,056</b>
<b>Carrying amount At 31 December 2023</b>	<b>140,138</b>	<b>7,624</b>	<b>84,165</b>	<b>54,282</b>	<b>186,753</b>	<b>1,251,149</b>	<b>77,239</b>	<b>-</b>	<b>1,801,351</b>

19.1 The land and buildings of the group were not revalued on 31 June 2024.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 18. Property, plant and equipment

	Autos and trucks N'000	Furniture and fittings N'000	Office equipment N'000	Plant and machinery N'000	Buildings N'000	Land N'000	Construction in progress N'000	Marine Equipment N'000	Total N'000
<b>Valuation/Cost</b>	-	-	-	-	-	-	-	-	-
At 1 January 2024	286,391	84,106	406,327	100,837	318,248	1,271,049	-	11,133.30	2,478,091
Revaluation surplus	-	-	-	-	-	-	-	-	-
Reclassification	-	6,217	-	-	(6,217)	15,000	-	-	15,000
Additions	1,396	-	6,168	-	-	-	-	-	7,564
<b>At 30 June 2024</b>	<b>287,787</b>	<b>90,323</b>	<b>412,495</b>	<b>100,837</b>	<b>312,031</b>	<b>1,286,049</b>	<b>-</b>	<b>11,133</b>	<b>2,500,655</b>
<b>Accumulated depreciation</b>	-	-	-	-	-	-	-	-	-
At 1 January 2024	228,498	82,949	370,048	61,833	134,101	-	-	11,133	888,563
Revaluation surplus	-	571	-	-	52,847	-	-	-	53,418
Charge for the period	5,938	542	6,058	3,857	4,786	-	-	-	21,182
<b>At 30 June 2024</b>	<b>234,436</b>	<b>84,062</b>	<b>376,106</b>	<b>65,690</b>	<b>191,734</b>	<b>-</b>	<b>-</b>	<b>11,133</b>	<b>963,162</b>
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2024</b>	<b>53,351</b>	<b>6,260</b>	<b>36,389</b>	<b>35,147</b>	<b>120,297</b>	<b>1,286,049</b>	<b>-</b>	<b>-</b>	<b>1,537,493</b>
<b>Valuation/Cost</b>	-	-	-	-	-	-	-	-	-
At 1 January 2023	225,515	84,106	389,115	61,510	325,530	359,059	-	11,133	1,455,969
Revaluation Loss	-	-	-	-	-	-	-	-	-
Additions	60,876	-	17,212	39,328	6,217	911,990	-	-	1,035,623
Write-off	-	-	-	-	(13,500)	-	-	-	(13,500)
<b>At 31 December 2023</b>	<b>286,391</b>	<b>84,106</b>	<b>406,327</b>	<b>100,837</b>	<b>318,248</b>	<b>1,271,049</b>	<b>-</b>	<b>11,133</b>	<b>2,478,091</b>
<b>Accumulated depreciation</b>	-	-	-	-	-	-	-	-	-
At 1 January 2023	225,516	80,902	353,243	60,770	192,262	-	-	11,133	923,826
Charge for the year	2,982	2,047	16,806	1,063	6,948	-	-	-	29,846
Disposal in the year	-	-	-	-	(65,109)	-	-	-	(65,109)
<b>At 31 December 2023</b>	<b>228,498</b>	<b>82,949</b>	<b>370,048</b>	<b>61,833</b>	<b>134,101</b>	<b>-</b>	<b>-</b>	<b>11,133</b>	<b>888,563</b>
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2023</b>	<b>57,893</b>	<b>1,156</b>	<b>36,279</b>	<b>39,004</b>	<b>184,147</b>	<b>1,271,049</b>	<b>-</b>	<b>-</b>	<b>1,589,529</b>

19.1 The land and buildings of the group were not revalued on 30 June 2024.

# C & I LEASING PLC

## NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>19. Intangible assets</b>				
<b>Computer software</b>				
<b>Cost</b>	<b>273,880</b>	240,728	<b>208,352</b>	208,352
Additions	1,372	4,059	-	-
Exchange difference	-	29,093	-	-
	<u>275,253</u>	<u>273,880</u>	<u>208,352</u>	<u>208,352</u>
<b>Amortisation</b>				
<b>January 1, 2023</b>	<b>258,950</b>	215,287	<b>199,018</b>	182,937
Exchange difference	-	20,620	-	-
Amortisation charge	6,310	23,043	5,009	16,081
	<u>265,260</u>	<u>258,950</u>	<u>204,027</u>	<u>199,018</u>
<b>Net carrying amount</b>				
<b>At 31 Dec</b>	<u>9,992</u>	<u>14,930</u>	<u>4,325</u>	<u>9,333</u>
The software is not internally generated.				
<b>20. Balance due to banks</b>				
First City Monument Bank Plc	34,160	33,920.04	34,160	33,920.04
Diamond Bank Plc	96,122	2,477	83,307	-
Greenwich Bank	2,017	-	2,017	-
Sterling Bank	3,621	3,621	3,621	3,621
Fidelity Bank Plc	21,931	989,985	21,931	989,985
Stanbic IBTC	1,114	-	1,114	-
Polaris Bank	254,963	452,271	254,963	452,271
Zenith Bank Plc	3,867	3,963	3,867	3,963
United Bank for Africa	-	-	-	-
	<u>417,796</u>	<u>1,486,238</u>	<u>404,981</u>	<u>1,483,761</u>
<b>21. Commercial notes</b>				
Institutional clients	8,795,745	3,771,609	8,795,745	3,771,609
Individual clients	-	15,897,319	-	15,897,319
	<u>8,795,745</u>	<u>19,668,928</u>	<u>8,795,745</u>	<u>19,668,928</u>
<b>21.1 Analysis of commercial notes</b>				
Current	8,795,745	19,668,928	8,795,745	19,668,928
Non-current	-	-	-	-
	<u>8,795,745</u>	<u>19,668,928</u>	<u>8,795,745</u>	<u>19,668,928</u>
<b>22. Trade and other liabilities</b>				
<b>Financial liabilities:</b>				
Statutory deductions (WHT, PAYE)	2,705,293	1,680,252	2,403,308	1,418,604
Accounts payable	6,678,390	6,780,436	5,409,337	3,978,855
Payments received on account	39,035	145,046	39,035	145,046
Deferred rental income	14,000	1,280	14,000	1,280
	<u>9,436,719</u>	<u>8,607,013</u>	<u>7,865,680</u>	<u>5,543,785</u>
<b>Non-financial liabilities:</b>				
Provision and accruals	2,910,422	628,531	2,645,321	408,696
<b>Total other liabilities</b>	<u>12,347,141</u>	<u>9,235,544</u>	<u>10,511,002</u>	<u>5,952,481</u>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>23. Taxation</b>				
<b>23.1 Income tax charge</b>				
Income tax	158,449	329,515	57,942	83,584
Education tax	3,151	36	3,151	36
Police Trust Fund Levy	46	33	46	33
National Agency for Science and Engineering Infrastructure (NASENI) Technology tax	2,289	1,644	2,289	1,644
	<b>9,156</b>	<b>6,575</b>	<b>9,156</b>	<b>6,575</b>
<b>Current income tax</b>	<b>173,091</b>	<b>337,802</b>	<b>72,583</b>	<b>91,872</b>
Capital gain tax charge	-	-	-	-
<b>Income tax</b>	<b>173,091</b>	<b>337,802</b>	<b>72,583</b>	<b>91,872</b>
<b>23.2 Current income tax liability</b>				
At the beginning of the year	716,802	642,081	579,788	598,872
Prior year adjustment	-	(263,082)	-	(110,955)
Additional prov from prior period	33,902	-	33,902	-
Charge for the period	173,091	337,802	72,583	91,872
Capital gain tax charge	-	-	-	-
Payments during the period	(154,416)	-	(51,151)	-
<b>At the end of the period</b>	<b>769,377</b>	<b>716,802</b>	<b>635,122</b>	<b>579,788</b>
<b>23.3 Deferred income tax assets</b>				
At the beginning of the year	(893,668)	(878,592)	(749,373)	(854,607)
Addition/Adjustment	4,689,783	(15,076)	4,545,488	105,234
Payment	-	23,985	-	-
<b>At the end of the period</b>	<b>3,796,115</b>	<b>(893,668)</b>	<b>3,796,115</b>	<b>(749,373)</b>
<b>23.3.1 Analysis of deferred income tax assets</b>				
Property, plant and equipment	3,796,115	(893,668)	3,796,115	(749,373)
	<b>3,796,115</b>	<b>(893,668)</b>	<b>3,796,115</b>	<b>(749,373)</b>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>24. Borrowings</b>				
Term loans (Note 26.1)	14,927,825	4,732,755	14,927,825	4,732,755
Finance lease facilities (Note 26.2)	8,123,761	4,077,916	1,724,943	1,067,302
Redeemable bonds (Note 26.3)	8,459,263	8,845,683	8,459,263	8,845,683
	<u>31,510,849</u>	<u>17,656,354</u>	<u>25,112,031</u>	<u>14,645,740</u>
The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period (December 2022 : Nil).				
<b>24.1 Term loans</b>				
Bank of Industry (24.1.4)	1,724,360	2,390,534	1,724,360	2,390,534
First Ally	5,091	5,091	5,091	5,091
Financial Derivative Company	1,431,639	1,644,748	1,431,639	1,644,748
Secured lease notes	11,766,735	692,382	11,766,735	692,382
	<u>14,927,825</u>	<u>4,732,755</u>	<u>14,927,825</u>	<u>4,732,755</u>
<b>24.1.1 Analysis of term loans</b>				
Current	3,284,315	1,072,644	3,284,315	1,041,267
Non-current	11,643,510	3,660,111	11,643,510	3,691,487
	<u>14,927,825</u>	<u>4,732,755</u>	<u>14,927,825</u>	<u>4,732,755</u>

#### 24.1.2 First City Monument Bank Plc

Facility represents the sum of N500million that was recently availed by the bank for the overhaul of one of the vessels

#### 24.1.3 B.V. Scheepswerf Damen Gorinchem, The

All the loans to Damen has been fully paid up

#### 24.1.4 Bank of Industry

C & I entered an agreement with BOI to finance vessel overhaul and acquisition totaling N1.5bn (in 2023) and N 2,142bn( in 2019) with Fidelity bank and FCMB respectively at 8%. The loan Is payable over a 5 year period and secured by bank guarantees with both banks.

#### 24.1.5 Secured Leased Notes

Facility represents amount obtained from various individual and institutional investors under term loan agreement at interest of 9% per annum. The facility was obtained for construction of vessels for the Company. As security for the facility, the investors are given equity holdings in the vessels being constructed. The tenor for the facility ranges between 50 - 60 months.



## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>25.2 Finance lease facilities</b>				
Stanbic IBTC Bank (Note 25.2.3)	173,686	255,325	173,686	255,325
Fidelity Bank Nigeria Ltd (Note 25.2.4)	355,443	6,269	355,443	6,269
Lotus Capital Limited (25.2.4)	703,362	804,767	703,362	804,767
First City Monument Bank	492,452	-	492,452	-
Golden Cedar, Ghana (Note 25.2.9)	1,253,636	300,212	-	-
Barclays Bank Ghana (Note 26.2.10)	4,070,171	2,460,338	-	-
Growth and development Nig Ltd	-	-	-	942
Others	1,075,011	251,005	-	-
	<u>8,123,761</u>	<u>4,077,916</u>	<u>1,724,943</u>	<u>1,067,302</u>
<b>25.2.1 Analysis of finance lease facility</b>				
Current	3,623,065	1,818,684	547,017	338,465
Non-current	4,500,696	2,259,232	1,177,926	728,838
	<u>8,123,761</u>	<u>4,077,916</u>	<u>1,724,943</u>	<u>1,067,302</u>
<b>25.2.2 Access Bank Plc</b>				
This facility represents N1billion motor vehicle corporate lease renewable annually for the purpose of financing 80% of cost required to purchase vehicles to service lease or fleet management contract for vehicles from corporate organisations. its tenor is 4 years (48 months).				
<b>25.2.3 Stanbic IBTC Bank Plc</b>				
Facility represents N1 billion finance lease facility secured from Stanbic IBTC Bank Limited in February 2020 for a period of Four years. The facility was secured by legal ownership of assets finance under the lease contract.				
<b>25.2.4 Lotus Capital Limited</b>				
This represents N1.68 billion Murabaha facility secured from Lotus Capital Limited under the Murabaha agreement for a period of three to four years.				

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 25.2.8 Bank of Africa

This represents the GHS 652,715 term loan secured on 28<sup>th</sup> August 2020 for a period Of 48 months to finance lease contracts. The interest on the loan is 18% . Thus, GRR of 14.32% and risk premium of 3.68% . On 15<sup>th</sup> September 2022, a new loan of GHS 1,057,268.04 was secured to finance lease contracts at a fixed rate of 28% . A GRR of 26.50% and the risk premium of 1.50%. The loan is secured by the vehicles purchased with the loan.

#### 25.2.10 Barclays Bank of Ghana

Facility represents US\$750,000 finance lease facility secured from Barclays Bank of Ghana Limited in February 2012 for a period of three years. The interest on the facility is 8% per annum. The facility was secured by legal ownership of the leased assets.

#### 25.2.11 FSDH Merchant Bank Limited

Facility represents N1.4 Billion asset backed facility for a period of four years

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>25.3 Redeemable bonds</b>				
10 billion Fixed Rate 5yr Redeemab Bond	8,459,263	8,845,683	8,459,263	8,845,683
	<u>8,459,263</u>	<u>8,845,683</u>	<u>8,459,263</u>	<u>8,845,683</u>
<b>25.3.1 Analysis of redeemable bonds</b>				
Current	252,806	252,806	252,806	252,806
Non-current	8,592,877	8,592,877	8,592,877	8,592,877
	<u>8,845,683</u>	<u>8,845,683</u>	<u>8,845,683</u>	<u>8,845,683</u>

#### 25.3.2 Redeemable bonds include financial instruments classified as liabilities measured at amortised cost

N10billion Fixed Rate 5yr Redeemable bond with 2 years principal repayment moratorium was issued in 2021

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>26. Retirement benefit obligations</b>				
Defined contribution pension plan (Note 27.1)	31,529	73,032	31,529	73,032
	<u>31,529</u>	<u>73,032</u>	<u>31,529</u>	<u>73,032</u>
<b>26.1 Defined contribution pension plan</b>				
At the beginning of the period	73,032	22,412	73,032	22,412
Contribution during the period	664,121	918,274	664,121	918,274
Remittance during the period	(705,625)	(867,654)	(705,625)	(867,654)
<b>At the end of the period</b>	<u>31,529</u>	<u>73,032</u>	<u>31,529</u>	<u>73,032</u>

26.1.1 The Group make 10% and its employees make a contribution of 8% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>27. Share capital</b>				
<b>27.1 Issued and fully paid</b>				
At the beginning of the year	884,573	390,823	884,573	390,823
Addition/reinstated during the year	-	493,750	-	493,750
1,769,146,602 ordinary shares of 50k each	<u>884,573</u>	<u>884,573</u>	<u>884,573</u>	<u>884,573</u>
<b>28. Deposit for shares</b>				
At the beginning of the year	-	1,975,000	-	1,975,000
Converted during the year	-	(1,975,000)	-	(1,975,000)
<b>At the end of the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This represents US\$12,486,143,.09 unsecured variable coupon convertible notes issued by Aureos Africa LLC (now wholly owned by Abraaj Advisers Nigeria Limited) on 11 January 2010 for a period of five years. The interest to be paid on the notes, is equivalent, in any period, to dividend declared by C & I Leasing Plc and payable on the equivalent number of ordinary shares underlying the loan stock at 31 December, the company intended to convert the loan notes to its equity and had elected to include the notes as deposit for shares. The amount outstanding at 31 December is US\$10,000,000.00 ( 31 December 2021: US\$10,000,000.00). The convertible notes has however been bought over by Peace Mass Transit (PMT) in January 2021. The note has been converted to equity in 2023.

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>29. Statutory reserve</b>				
At the beginning of the year	2,037,558	1,776,810	1,135,719	989,703
Foreign exchange gain	-	-	-	-
Prior year adjustment	-	-	504,295	(23,619)
Transfer from income statement	94,505	260,748	84,299	169,635
<b>At the end of the year</b>	<u>2,132,062</u>	<u>2,037,558</u>	<u>1,724,313</u>	<u>1,135,719</u>

Nigerian banking regulations requires the Group to make an annual appropriation to a statutory reserve. As stipulated in S. 16 (1) of the Banks and Other Financial Institutions Act CAP B3 LFN 2004 and Central Bank of Nigeria (CBN) guidelines, an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>30. Statutory credit reserve</b>				
At the beginning of the period	351,372	351,372	396,081	380,152
Adjustment	-	-	-	15,928
Arising in the period	-	-	-	-
Exchange difference adjustment	-	-	(3,604)	-
<b>At the end of the year</b>	<u>351,372</u>	<u>351,372</u>	<u>392,477</u>	<u>396,081</u>

The Group determines its loan loss provisions based on the requirements of IFRS. The difference between the loan loss provision as determined under IFRS and the provision as determined under Prudential Guidelines ( as prescribed by the Central Bank) is recorded in this reserve. This reserve is non distributable.

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>31. Retained earnings</b>				
At the beginning of the period	4,963,419	4,355,006	1,129,921	738,473
Transfer from income statement	945,047	869,161	842,985	565,451
Fair value changes on available for sale	-	-	-	(1,306)
Prior year adjustment	-	-	5,611,021	(3,062)
Transfer to statutory credit reserve	(94,505)	(260,748)	(84,299)	(169,635)
<b>At the end of the period</b>	<b>5,813,961</b>	<b>4,963,419</b>	<b>7,499,629</b>	<b>1,129,921</b>

#### 32. Foreign currency translation reserve

At the beginning of the period	15,770,155	4,205,167	-	-
Prior year adjustment	-	-	-	-
Arising in the year	13,677,349	11,564,988	-	-
<b>At the end of the period</b>	<b>29,447,504</b>	<b>15,770,155</b>	<b>-</b>	<b>-</b>

This represents net exchange difference arising from translation of reserve balances of foreign entity at closing rate.

#### 33. AFS fair value reserve

At the beginning of the period	12,196	9,040	12,196	9,040
Gain/loss arising in the year	9,260	3,156	9,260	3,156
<b>At the end of the period</b>	<b>21,456</b>	<b>12,196</b>	<b>21,456</b>	<b>12,196</b>

Available for sale (AFS) fair value reserve represents gains or losses arising from marked to market valuation on available for sale assets.

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>34. Revaluation reserve</b>				
At the beginning of the period	272,178	-	272,178	-
Write back of revaluation	-	-	-	-
Arising during the period	-	272,178	-	272,178
<b>At the end of the period</b>	<b>272,178</b>	<b>272,178</b>	<b>272,178</b>	<b>272,178</b>

Revaluation reserve relates surplus arising from the revaluation of land and buildings included in property, plant and equipment. The Central Bank of Nigeria (CBN, which is our primary regulator has directed the company to reverse it from the book until approval is obtained. The process of approval is in progress.

	Group		Company	
	30 June 2024 N'000	31 December 2023 N'000	30 June 2024 N'000	31 December 2023 N'000
<b>35. Non controlling interest</b>				
At the beginning of the period	1,191,069	820,835	-	-
Arising during the year	41,910	124,714	-	-
Prior year adjustment	-	-	-	-
Foreign exchange loss	(206,634)	245,520	-	-
<b>At the end of the period</b>	<b>1,026,345</b>	<b>1,191,069</b>	<b>-</b>	<b>-</b>
<b>36. Cash and cash equivalents</b>				
Cash and balances with banks (Note 10)	2,738,327	2,068,882	2,520,735	1,825,422
Balance due to banks (Note 20)	(417,796)	(1,486,238)	(404,981)	(1,483,761)
	<b>2,320,531</b>	<b>582,644</b>	<b>2,115,754</b>	<b>341,661</b>

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	N'000	N'000	N'000	N'000
<b>37. Impairment writeback/charges</b>				
Other assets	-	1,164	-	1,164
<b>Per income statement</b>	<b>-</b>	<b>1,164</b>	<b>-</b>	<b>1,164</b>

	Group				Company			
	6 Months to Jun 2024	3 Months to Jun 2024	6 Months to Jun 2023	3 Months to Jun 2023	6 Months to Jun 2024	3 Months to Jun 2024	6 Months to Jun 2023	3 Months to Jun 2023
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>38. Lease rental income</b>								
Finance lease/operating lease	16,079,080	8,286,086	8,500,968	4,314,866	9,573,364	4,862,495	6,235,034	3,094,294
	<b>16,079,080</b>	<b>8,286,086</b>	<b>8,500,968</b>	<b>4,314,866</b>	<b>9,573,364</b>	<b>4,862,495</b>	<b>6,235,034</b>	<b>3,094,294</b>
<b>39. Lease interest expense</b>								
Finance lease interest	1,547,664	943,434	584,632	264,361	737,642	391,950	450,830	203,540
Commercial notes interest	1,500,752	634,153	1,010,915	522,933	1,500,752	428,639	1,010,915	522,933
Term loans interest	1,470,452	744,965	1,099,253	540,922	1,461,123	799,444	1,091,854	538,504
	<b>4,518,869</b>	<b>2,322,552</b>	<b>2,694,800</b>	<b>1,328,216</b>	<b>3,699,518</b>	<b>1,620,032</b>	<b>2,553,599</b>	<b>1,264,977</b>
<b>40. Outsourcing income</b>								
Outsourcing rental	7,915,198	3,975,535	7,203,830	3,496,030	7,915,198	3,975,535	7,203,830	3,496,030
Outsourcing service expense	(7,315,376)	(3,672,031)	(6,514,619)	(3,155,609)	(7,315,376)	(3,672,031)	(6,514,619)	(3,155,609)
	<b>599,821</b>	<b>303,504</b>	<b>689,211</b>	<b>340,420</b>	<b>599,821</b>	<b>303,504</b>	<b>689,211</b>	<b>340,420</b>

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group				Company			
	6 Months to Jun 2024	3 Months to Jun 2024	6 Months to Jun 2023	3 Months to Jun 2023	to Jun 2024	3 Months to Jun 2024	6 Months to Jun 2023	3 Months to Jun 2023
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>41. Tracking and tagging income</b>								
Tracking income	76,411	34,311	54,650	23,542	76,411	34,311	54,650	23,542
Tracking expenses	(45,801)	(21,242)	(33,244)	(16,638)	(45,801)	(21,242)	(33,244)	(16,638)
	<b>30,610</b>	<b>13,069</b>	<b>21,406</b>	<b>6,904</b>	<b>30,610</b>	<b>13,069</b>	<b>21,406</b>	<b>6,904</b>
<b>42. Interest income</b>								
Interest on bank deposits	572	382	30,986	29,598	14	0	27,894	27,750
	<b>572</b>	<b>382</b>	<b>30,986</b>	<b>29,598</b>	<b>14</b>	<b>0</b>	<b>27,894</b>	<b>27,750</b>
<b>43. Other income</b>								
Gain on sale of operating lease assets (Note 46.1)	170,645	31,942	131,803	120,768	125,153	29,654	28,695	28,695
Foreign exchange gain	-	-	-	-	-	-	-	-
Insurance claims received	26,105	2,705	26,564	7,925	26,105	2,705	26,564	7,925
Insurance income on finance leases	2,085	2,010	2,963	905	2,085	2,010	2,963	905
Management fee income	76,349	38,599	33,377	17,598	76,349	38,599	33,377	17,598
Frank investment income	-	-	492	492	1,534,134	838,341	748,312	748,312
Rent received	9,280	4,800	9,600	4,800	9,280	4,800	9,600	4,800
Others	57,056	41,447	158,041	152,629	2,106	(256,576)	141,496	140,067
	<b>341,519</b>	<b>121,503</b>	<b>362,840</b>	<b>305,118</b>	<b>1,775,212</b>	<b>659,533</b>	<b>991,007</b>	<b>948,303</b>

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### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group				Company			
	6 Months to Jun 2024 N'000	3 Months to Jun 2024 N'000	6 Months to Jun 2023 N'000	3 Months to Jun 2023 N'000	to Jun 2024 N'000	3 Months to Jun 2024 N'000	6 Months to Jun 2023 N'000	3 Months to Jun 2023 N'000
<b>44. Operating expenses</b>								
Direct operating expenses	5,908,162	3,009,957	3,512,244	1,943,506	5,568,212	2,835,283	3,103,870	1,654,279
Finance lease assets maintenance	1,046,995	594,200	431,527	154,013	381,721	238,876	367,537	174,876
Finance lease assets insurance	610,992	296,511	271,559	136,606	380,313	179,288	209,973	100,245
	<u>7,566,148</u>	<u>3,900,669</u>	<u>4,215,330</u>	<u>2,234,125</u>	<u>6,330,246</u>	<u>3,253,447</u>	<u>3,681,379</u>	<u>1,929,400</u>
<b>45. Depreciation expense</b>								
Operating lease assets	3,066,657	1,562,488	1,469,096	750,385	805,075	356,530	845,377	415,126
Property, plant and equipment	79,341	41,144	29,075	13,316	21,182	9,447	13,809	4,815
	<u>3,145,998</u>	<u>1,603,632</u>	<u>1,498,171</u>	<u>763,701</u>	<u>826,257</u>	<u>365,977</u>	<u>859,186</u>	<u>419,941</u>
<b>46. Personnel expense</b>								
Salaries and allowances	676,685	378,786	530,539	272,354	553,545	315,900	489,286	247,869
Pension contribution expense	58,812	31,593	33,150	15,013	47,416	26,040	29,292	12,795
Training and medical	152,093	77,031	73,091	34,846	25,782	14,367	32,193	16,604
	<u>887,590</u>	<u>487,410</u>	<u>636,780</u>	<u>322,214</u>	<u>626,743</u>	<u>356,307</u>	<u>550,770</u>	<u>277,268</u>
<b>47. Administrative expenses</b>								
Auditors' remuneration	26,485	14,160	16,911	8,671	14,889	8,139	13,500	6,750
Directors' emoluments	61,876	27,560	33,254	15,176	53,873	23,601	29,195	13,028
Foreign exchange loss	196,498	163,776	67,649	46,162	202,681	168,228	58,560	37,073
Bank charges	-	-	131,386	91,786	-	-	128,360	89,731
Fuel and maintenance	64,796	34,602	26,457	13,038	61,229	33,133	24,916	12,286
Insurance	20,046	10,023	21,707	9,664	20,046	10,023	21,707	9,664
Advert and external relations	6,048	(167)	668	(811)	4,120	812	105	90
Travel and entertainment	51,962	30,802	33,713	22,655	44,388	25,944	24,801	14,112
Legal and professional expenses	105,885	71,021	83,473	48,898	63,970	44,838	64,978	35,780
Communications	81,468	52,056	55,593	36,993	61,241	39,032	48,498	32,752
Subscriptions	18,194	11,071	17,066	11,914	8,371	5,798	12,014	8,870
Penalties	16,798	8,344	-	-	16,798	8,344	-	-
Levies	6,027	(365)	3,853	2,304	5,704	400	1,441	977
Other administrative expenses	200,189	105,410	95,865	57,930	119,317	63,485	67,864	42,992
	<u>856,272</u>	<u>528,294</u>	<u>587,595</u>	<u>364,379</u>	<u>676,625</u>	<u>431,778</u>	<u>495,940</u>	<u>304,105</u>

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#### 48. Basic earnings per share

Earnings per share (basic) (EPS) have been computed for each period on the profit after taxation attributable to ordinary shareholders and divided by the weighted average number of issued NO.50 ordinary shares during the period. While diluted earnings per share is calculated by adjusting the weighted average ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were 1,391,753 potential dilutive shares as at September 2023 (December 2022 : 1,391,753).

	Group		Company	
	June 30, 2024 N'000	June 30, 2023 N'000	June 30, 2024 N'000	June 30, 2023 N'000
<b>Profit after taxation</b>	<u>986,957</u>	<u>240,818</u>	<u>842,985</u>	<u>184,634</u>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Number of shares at period end	<u>1,769,147</u>	<u>781,646</u>	<u>1,769,147</u>	<u>781,646</u>
Time weighted average number of	1,769,147	781,646	1,769,147	781,646
Diluted number of shares	-	1,769,147	-	1,769,147
Earnings per share (EPS) (kobo) -	<u>56</u>	<u>31</u>	<u>48</u>	<u>24</u>
Earnings per share (EPS) (kobo) - diluted	<u>56</u>	<u>31</u>	<u>48</u>	<u>10</u>

**NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2024**

	<b>Group</b>		<b>Company</b>	
	<b>Jun 30, 2024</b>	<b>Jun 30, 2023</b>	<b>Jun 30, 2024</b>	<b>Jun 30, 2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>49. Information regarding Directors and employees</b>				
<b>49.1 Directors</b>				
<b>49.1.1 Directors' emoluments</b>				
Directors fees	53,866	13,258	45,863	11,348
Directors sitting allowance	7,490	4,820	7,490	4,820
Other emoluments	520	-	520	-
	<u>61,876</u>	<u>18,078</u>	<u>53,873</u>	<u>16,168</u>
<b>49.1.2 Fees and emoluments disclosed above excluding pension</b>				
The Chairman	8,010	8,010	8,010	8,010
Other Directors	<u>53,866</u>	<u>10,068</u>	<u>45,863</u>	<u>8,158</u>
<b>49.1.3 The number of Directors [including the Chairman and the highest paid Director] who received fees and other emoluments [excluding</b>				
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
N240,001 - N400,000	-	-	-	-
N400,001 - N1,550,000	6	10	-	6
N1,550,001 - N5,000,000	7	1	7	-
N5,000,000 - N8,000,000	1	-	1	1
N8,000,001 - N11,000,000	-	1	-	1
	<u>12</u>	<u>12</u>	<u>8</u>	<u>8</u>

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024 Number	31 December 2023 Number	30 June 2024 Number	31 December 2023 Number
<b>50.2 Employees</b>				
<b>50.2.1</b> The average number of persons employed by the Group during the period was as follows:				
Managerial	22	29	17	19
Senior staff	48	48	40	45
Junior staff	433	485	391	407
	<b>503</b>	<b>562</b>	<b>448</b>	<b>471</b>

**50.2.2** The number of employees of the Group, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were as follows:

N	N				
250,001	370,000	155	159	153	159
370,001	420,000	198	244	183	189
430,001	580,000	75	80	50	53
580,001	700,000	24	24	20	24
700,001	750,000	16	18	13	15
840,001	850,000	12	12	12	12
1,000,001	1,100,000	5	5	4	5
1,100,001	1,150,000	5	5	3	4
1,200,001	1,400,000	4	5	4	4
1,500,000	1,550,000	5	5	4	4
1,650,000	2,050,000	4	5	2	2
		<b>503</b>	<b>562</b>	<b>448</b>	<b>471</b>

#### 51. Reclassification of comparative figures

Certain comparative figures in these financial statements have been restated to give a more meaningful comparison.

#### 52. Events after the reporting date

No event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be mentioned in the financial statement in the interests of fair presentation of the Group's financial position as at the reporting date or its result for the year then ended.



## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

**53. Financial commitments**

The Directors are of the opinion that all known commitments and liabilities, which are relevant in assessing the state of affairs of the group have been taken into consideration in the preparation of these financial statements.

**54. Contingent assets/(liabilities)**

The Group is not subject to any claim and other liabilities nor assets arising in the normal course of the business for the period ended 30 June 2023 (31 December 2022: Nil).

**55. Related party transactions**

The Group is controlled by C&I Leasing Plc, whose shares are widely held. The parent company is a finance company.

A number of transactions are entered into with related parties in the normal course of business. These include loans and borrowings.

The volumes of related-party transactions, outstanding balances at the period-end, and related expense and income for the year are as follows:

	<b>30 June 2024</b>	31 December 2023
EPIC International FZE, U.AE.	12,984,429	2,350,942.33
Leasafic, Ghana	(334,634.93)	(312,318.47)
C & I Leasing FZE	75,326.06	75,326.06
Access bank Plc	(83,307)	-
	<b><u>12,641,813</u></b>	<b><u>2,113,949.92</u></b>

The loans to subsidiaries are non-collateralised loans and advances at below market rates at 10%. These loans have been eliminated on consolidation and do not form part of the reported Group loans and advances.

## C & I LEASING PLC

### NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 56. Segment reporting

##### 56.1 Segment results of operations

The segment information provided to the Group management committee for the reportable segments for the period ended 30 June 2024:

	Fleet management N'000	Personnel outsourcing N'000	Marine services N'000	Citrack N'000	Total N'000
<b>Gross earnings</b>	<b>2,475,942</b>	<b>599,821</b>	<b>9,970,111</b>	<b>76,619</b>	<b>13,722,315</b>
Operating income	2,204,091	517,281	6,625,658	75,945	9,422,975
Operating expenses	(1,391,109)	(144,813)	(4,791,585)	(48,540)	(6,376,047)
Depreciation	(410,205)	(3,067)	(412,667)	(318)	(826,257)
Personnel expense	(96,706)	(98,386)	(419,575)	(12,077)	(626,743)
Administrative expenses	(109,871)	(55,668)	(505,732)	(7,087)	(678,359)
Profit before taxation	<b>196,200</b>	<b>215,346</b>	<b>496,099</b>	<b>7,923</b>	<b>915,568</b>
Total assets employed	2,884,814	2,313,867	26,360,170	74,867	31,633,719
Interest Expense	(271,851)	(82,541)	(3,344,453)	(674)	(3,699,518)
Earnings Before Interest and Tax	468,051	297,887	3,840,552	8,597	4,615,087
<b>ROCE (EBIT/Total Asset)</b>	<b>16%</b>	<b>13%</b>	<b>15%</b>	<b>11%</b>	<b>15%</b>

**30 Jun 2024**      31 Dec 2023  
N'000                      N'000

#### 56.2 Geographical information

##### 1. Revenue

Nigeria	<b>13,122,493</b>	19,129,619
Ghana	<b>3,720,581</b>	3,543,215
United Arab Emirates	<b>2,886,135</b>	2,828,217
	<b>19,729,210</b>	25,501,051

**30 June 2023**      31 Dec 2022

##### 2. Total assets

Nigeria	<b>65,096,307</b>	51,249,556
Ghana	<b>11,745,803</b>	7,189,361
United Arab Emirates	<b>25,618,752</b>	20,723,359
	<b>102,460,863</b>	79,162,276

**Hypothetical Case on Free Float Computation**

**Shareholding Structure/Free Float Status**

Description	30-Jun-24		30-Jun-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	1,769,146,167	100%	781,646,167	100%
<b>Substantial Shareholdings (MAJORITY SHAREHOLDERS)</b>				
LEADWAY ASSURANCE CO. LTD	35,000,088	1.98%	35,000,088	4.48%
CIL ACQUICO LIMITED	64,259,021	3.64%	134,154,681	17.16%
PETRA PROPERTIES LTD	40,304,265	2.28%	40,304,265	5.16%
PMT GLOBAL INVESTMENTS NIG LTD	1,197,306,920	67.68%	209,806,920	26.84%
<b>Total Substantial Shareholdings</b>	<b>1,336,870,294</b>	<b>75.58%</b>	<b>419,265,954</b>	<b>49.16%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
NDU CHUKWUEMEKA E.	333,567.00	0.00	359,566.00	0.05%
OMOTUNDE ALAO-OLAIFA	-	-	-	0.00%
BABATUNDE EDUN	1,867,074.00	0.00	1,867,074.00	0.24%
SAMUEL MADUKA ONYISHI	-	-	-	0.00%
UGOJI LENING UGOJI	-	-	-	0.00%
SADIQ ABUBAKAR ADAMU	-	-	-	0.00%
FLORENCE OKOLI	-	-	-	0.00%
TOM OKO ACHODA	-	-	-	0.00%
OLUYEMI PETER ABAOLU-JOHNSON	-	-	-	0.00%
OMOTUNDE ALAO-OLAIFA (INDIRECT- REPRESENTING LEADWAY ASSURANCE CO. LTD)	-	-	-	0.00%
NDU CHUKWUEMEKA E. (Indirect- REPRESENTING PETRA PROPERTIES LTD)	-	-	-	0.00%
BABATUNDE EDUN (INDIRECT- REPRESENTING CIL ACQUICO LTD)	-	-	-	0.00%
SAMUEL MADUKA ONYISHI(INDIRECT- REPRESENTING PMT GLOBAL INVESTMENTS NIG LTD)	-	-	-	0.00%
<b>Total Directors' Shareholdings</b>	<b>2,200,641</b>	<b>0.12%</b>	<b>-</b>	<b>0.28%</b>
<b>Other Influential Shareholdings</b>				
	-	0.00%	-	0.00%
	-	0.00%	-	0.00%
<b>Total Other Influential Shareholdings</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>Free Float in Units and Percentage</b>	<b>434,476,514</b>	<b>24.47%</b>	<b>362,380,213</b>	<b>46.36%</b>
<b>Free Float in Value</b>	<b>1,390,324,844.80</b>		<b>1,268,330,745.50</b>	

**Declaration:**

(A) C&I LEASING Plc with a free float percentage of 24.47 as at 30TH June 2024, is compliant with NGX's 20% free float requirements for companies listed on the **Main Board**.

(B) C&I LEASING Plc with a free float value of N1,268,330,745.50 as at 30 June 2023, is compliant with NGX's free float requirements for companies listed on the **Main Board**.