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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Infinity Trust Mortgage Bank Plc will hold as follows:

Date: 29/04/2014

Venue: Rock View Hotel, Wuse 2. Abuja

Time: 2pm

The following businesses will be transacted at the meeting:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements for the year ended 31 December, 2013 together with the Report of the Director, Auditors, and the Audit Committee thereon.
2. To declare a dividend.
3. To appoint/re-elect Directors.
4. To appoint Auditors
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To elect members of the Audit Committee.

SPECIAL BUSINESS:

7. To fix the Directors' fees for the year ending 31 December, 2014

NOTES:

1. Proxy

The person entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. A proxy form is attached to the notice of the meeting posted to the

Shareholders. To be valid, the proxy form must be duly signed by the Shareholders and stamped at the Stamp Duties office and returned to the Registrars/Company's Secretary not less than 48hours before the date and time scheduled for the meeting.

2. Audit Committee

In accordance with section 359 (5) of The Companies and Allied Matters *s Act* CAP C20 LFN 2004, any member may nominate a Shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company secretary at least 21days before the Annual General Meeting.

3. Dividend

If approved, dividend of 3.0k per share is payable to shareholders whose names are registered in the register of members as at close of business on 15th April, 2014. Dividend warrant will be posted on 5th May, 2014.

4. Closure of Register of Members

The Register of members and transfer books will be closed on 15th April 2014.

Dated this 13 February, 2014

By Order of the Board

Tolu Osho (Mrs.)

Company Secretary

11, Kaura Namoda Street,
Area 3, Garki, Abuja.

DIRECTORS AND ADVISERS

THE YEAR ENDED 31 DECEMBER, 2013

DIRECTORS	CAPACITY
Engr. Adeyinka Bibilari	Chairman
Mr. Banjo Obaleye	Chief Executive Officer (CEO)
Barrister Patrick Ikwueto	Non-Executive Director
Engr. Tunde Olaleke	Non-Executive Director
Mr. Dada Ademokoya	Non-Executive Director
Mr. Akin Arikawe	Non-Executive Director
Gen. Danladi Pennap	Non-Executive Director

COMPANY SECRETARY/LEGAL ADVISER	Mrs. Tolu Osho
REGISTERED OFFICE	11, Kaura Namoda Street, Area 3, Garki, Abuja.
WEBSITE	www.itmbplc.com
TELEPHONE	07025100681, 07025100685, 07026108775
AUDITOR	Lanre Abidakun& Co. (Chartered Accountants) 16, Isheri Rd., Ojodu, Lagos.
REGISTRAR	African Prudential Registrars

YEAR AT A GLANCE

	2013 (N)	2012 (N)
Profit or Loss before Taxation	226,579,275	288,257,137
Taxation	(37,785,499)	(48,663,486)
Profit after Taxation	188,793,776	239,593,651
Other Comprehensive Income	204,597,313	277,428,600
Profit Or Loss & Other Comprehensive Income	393,391,089	517,022,251
APPROPRIATIONS		
Transfer Statutory Reserves	(37,758,755)	(103,404,450)
Dividend Paid	(81,849,935)	(81,680,961)
Transfer to Reserve Earnings	273,782,399	331,936,840
FINANCIAL POSITION	(N)	(N)
Total Assets	7,402,933,579	5,631,470,321
Total Liabilities	1,963,355,841	1,057,821,745
Shareholders Fund	5,439,577,738	4,573,648,576
Earnings per Share	9.4k	15k
Number of Staff	56	51
Number of Branches	3	3

CHAIRMAN'S STATEMENT

CEO'S REVIEW

REPORT OF THE DIRECTORS

ANNUAL REPORT

The Directors have the pleasure in presenting their annual report for the period ended 31st December, 2013.

The company has applied the International Financial Reporting Standard (IFRS) in the preparation of these Financial Statements for the period ended 31st December 2013.

1. RESULT

The highlights of the company operating results for the period under review are as follows:

2013

2012

Infinity Trust Mortgage Bank Plc

	N'000	N'000
Profit Before Taxation	226,579	565,686
Taxation	<u>(37,786)</u>	<u>(48,663)</u>
Profit After Taxation	188,793	517,022
Other Comprehensive Income	<u>204,598</u>	-
Profit or Loss and Other Comprehensive Income	<u><u>393,391</u></u>	<u><u>517,022</u></u>

2. LEGAL FORM

The Bank was incorporated as a wholly indigenous private limited liability company 'INFINITY TRUST SAVINGS AND LOANS LIMITED' in 2002 and commenced business operations in March 2003.

The Bank converted into Public Limited Liability Company on 25th January 2013 and changed its name to Infinity Trust Mortgage Bank Plc.

The company was quoted on the Nigerian Stock Exchange on the 11th December 2013.

3. PRINCIPAL ACTIVITIES

The Bank is engaged in business of Mortgage Banking as prescribed by CBN guidelines.

4. DIRECTORS' FEES

The annual fees for the Chairman are proposed at N1 million, while the fees for other Directors are proposed at N750,000. Only non-Executive Directors are entitled to annual fees. This resolution will be proposed to approve the payments for the 2013 financial year.

5. DIVIDEND

In respect of the current period, the Directors propose that a dividend of 3.0k per ordinary share of 50k each be paid to Shareholder after the Annual General Meeting. This proposed dividend is subject to the approval of Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is also subject to a Withholding Tax at the appropriate tax rate

and the dividend is payable to Shareholders whose names appear on the Register of member at the closure of the register on the 15th April 2014. Dividend warrant will be posted one week after the Annual General Meeting.

	2013	2012
Dividend per Share	N	N
Dividend Proposed	<u>81,849,935</u>	<u>81,849,935</u>
Numbers of Share issue and ranking for dividend	<u>4,170,445,720</u>	<u>3,467,289,720</u>
Proposed Dividend paid per share	<u>2.0k</u>	<u>2.4k</u>
The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 st December 2013 and 31 st December 2012 respectively		

6. PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT

Movements in property, plant and equipment during the year is shown in the note to the financial statement on pages ahead. In the opinion of Directors, the market value of the Bank's property is not less than the value shown in the financial statements.

7. DIRECTORS' INTERESTS

The interests of the Directors in the issued share capital of the bank as recorded in the register of Directors shareholding as at 31 December, 2013 are as follows;

DIRECT HOLDING AT 50K EACH

No	Names as in Annual Report	2013	2012
1	Engr. Adeyinka Bibilari	1,278,219,720	1,327,289,720
2	Mr. Banjo Obaleye	250,000,000	250,000,000
3	Barrister Patrick Ikwueto	100,000	----
4	Engr. Tunde Olaleke	10,000,000	10,000,000
5	Mr. Dada Ademokoya	100,000	100,000
6	Mr. Akin Arikawe	100,000	100,000
7	Gen. Danladi Pennap	1,000,000	1,000,000

INSTITUTIONAL INVESTORS AT 50K PER SHARE

Institutional Investor	Number of Share	%Holding
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Infinity Trust Mortgage Bank Plc

Adkan Services Nig. Ltd.	693,726,841	16.63
Decimal Links Limited	250,000,000	5.99
Labid Investment	450,000,000	10.79
Notec Ventures	250,000,000	5.99
Paramount wood works Ltd	200,000,000	4.79
Royal Mills Foods	300,000,000	7.19
Veritas Packaging Company Ltd	250,000,000	5.99
Zuma Paint & Manufacturing Ltd	200,000,000	4.79

The analysis of the distribution of the Shares of the Bank as at 31 December,2013 is as follows;

Range	No. of Shareholders	% of Shareholders	Number of Holdings	% of Shareholding
1 -9,000,000	187	93.5	18,499,159	0.44
9,000,001 - 10,000,000	3	1.5	30,000,000	0.72
100,000,001 - 250,000,000	6	3	1,400,000,000	33.57
250,000,001 - 2,000,000,000	4	2	2,721,946,561	65.27
Grand Total	200	100	4,170,445,720	100

8. RECORD OF DIRECTORS' ATTENDANCE

In accordance with section 258 (2) of the companies and allied matter act CAP C20 LFN 2004, the record of directors attendance of directors meeting during the financial year under review is available for inspection at the Annual General Meeting.

9. STAFF WELFARE

Infinity Trust Mortgage Bank Plc believes that its Staffs are its greatest asset. The Bank gives a fair and equal opportunity to its employee and promotes an environment free from all forms of harassment, victimization or discrimination on the basis of gender, age, religion, race or tribe, amongst others. The Bank has a number of incentives to attract, develop and retain the good quality staff who are essential for the achievement of its business objectives. Relevant periodic training of staff members, staff loans,

flexible leave arrangements, recreation facilities and a reward policy base on responsibility and contribution to the Bank are examples of such incentives. Employees are rewarded with the Bank's Shares and productivity bonus based on performance.

The Executive Management of the Bank operates an Open-door policy and employees can approach them to express their concerns and their view point confidently.

The Bank's intranet services can be accessed by employees. Employees have access to the telephone numbers and mailing addresses of all other staff members.

10 EMPLOYMENT OF THE DISABLED PERSONS

The Bank is committed to helping disabled employees to realize their full potentials and provide with the same carrier prospect and opportunity available to all other employees, hence, it does not refuse to employ a person on the ground of his/her physical disability. The Bank is also committed to the re-training and rehabilitating those staff that may unfortunately become disabled during the course of their working life. The Bank currently has no employee who is disabled. During the year ended 31st December, 2013, no employee was disabled in the course of employment.

11) HEALTH AND SAFETY AT WORK AND WELFARE OF THE EMPLOYEES

Infinity Trust Mortgage Bank Plc recognises occupational health and safety and welfare of employees as important aspect of sustainability which contribute to increased productivity. The Bank has a health insurance scheme for its employees and their immediate families. The Bank also promotes a healthy living and a healthy work/life balance for employees. It organizes periodic health talk, medical check-up and counseling for employees. Employees also have access to communicate with health practitioner online via the Bank's intranet or via the telephone in respect of their medical enquiries.

The Bank ensures that employees are aware of health and safety regulations and the requirement to report all accidents or peril to the appropriate authority. Safety instructions, training and certification as well as fire and emergency drills are carried out regularly. It is mandatory for every Staff to check his/her Blood Pressure once a month.

12. EMPLOYEE INVOLVEMENT AND TRAINING

Continuous learning is a core value in Infinity Trust Savings Mortgage Bank Plc. The Bank has an annual training plan for employees which cover structured training programs tailored to specific job grades and roles, and ad-hoc programs for specialized

training during the year as the need arises. Members of professional bodies are encouraged.

Employees are kept informed of the Bank's progress and feedback is received on matters which affect them as employees through periodic interactive forum called village meetings.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Infinity Trust Mortgage Bank Plc, environmental, social and economic concerns of the society are considered throughout the organisation's decision making process. Therefore, emphasis is placed on excellent performance in non-financial areas such as business ethics, corporate contribution, community development and corporate governance. Voluntary donations and gifts are made to identify institution, charitable organizations and persons to positively contribute to need such as health, education, agriculture, socio-cultural causes, sustenance of widows, orphans and the homeless, and other deserving causes.

The Bank carefully selects institutions and organizations with which is identify. During the year ended 31 December, 2013, the Bank executed various CSR initiatives.

14. POST BALANCE SHEET EVENTS

There are no post balance sheet events that could have effect on the state of affairs of the Bank as at 31 December, 2013 which have not been adequately provided for or disclosed.

15. AUDIT COMMITTEE

Pursuant to section 359 (3) of The Companies and Allied Matters s Act, CAP C20 Laws of the Federation of Nigeria, the Bank has in place an audit committee comprising 1 shareholder and 2 Non-Executive Directors as follows;

No.	Names	Capacity	Position
1	Mr. Akin Arikawe	Shareholder	Chairman - from August 2012 to date
2	Mr. Dada Ademokoya	Shareholder	Chairman - Till August 2012
3	Mr. Tunde Olaleke	Shareholder	Member
4	Barr. Patrick Ikwueto	Non-Executive Director	Member

The functions of the Audit Committee are as prescribed under Section 359 (6) of The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria.

SHARE CAPITAL

In the year, the company issued 7% Irredeemable Preference Shares valued N600,000,000.00 of N1/unit. The instrument was classified as equity having satisfied all the requirements under IAS 32 which states inter alia:

“A financial instrument is an equity if:

- (a) The instrument includes no structural obligation to deliver cash or another financial asset to investing entity,
- (b) The instrument can be settled in the issuer’s own equity.

AUDITORS

The Auditors, Lanre Abidakun & Co., having spent 10 years, have indicated to cease as Auditors in line with the Central Bank of Nigeria guideline.

A resolution will be proposed at the General Meeting to authorize the Directors to appoint new Auditors.

BY ORDER OF THE BOARD

MRS. TOLU OSHO

COMPANY SECRETARY

Abuja, Nigeria

February, 2014.

RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

- i. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank and comply with the requirement of the Companies and Allied Matters Act and the Banks and other Financial Institutions Act;

- ii. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

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

- Financial Reporting Council of Nigeria;
- Prudential Guidelines for Licensed Mortgage Bank;
- Relevant Circular issued by the Central Bank of Nigeria;
- The requirement of the Banks and other Financial Institution Act; and
- The requirements of the Companies and Allied Matters Act.

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

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least 12months from the date of this statement.

Chairman

CERTIFICATION PURSUANT

To section 60 (2) of the Investments and securities Act No. 29 of 2007

FOR THE YEAR ENDED 31ST DECEMBER 2013

We the undersigned hereby certify the following with regard to Audited Accounts for the year ended 31st December 2013 that:

1. We have reviewed the report and to the best our knowledge, the report does not contain:
 - (a) Any untrue statement of a material fact, or

- (b) Any Omission of material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made.
- 2. To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial state and results of operations of the company as of and for the periods presented in the report.
- 3. We are responsible for:
 - (a) Establishing and maintaining internal controls.
 - (b) The design of such internal controls and to ensure that material information relating to the company is made known to the officers within the company particularly during the period in which the periodic reports are being prepared.
 - (c) Evaluating the effectiveness of the company's internal controls within 90days prior to the report;
 - (d) Presenting in the report our conclusions about the effectiveness of the company's internal control based on our evaluation as of that date.
- 4. We have disclosed to the auditors of the company and Audit Committee:
 - (a) All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record process, summarize and report financial data and have identify for the company's auditor any material weakness in internal controls, and
 - (b) Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;
- 5. We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal control subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

DATED THIS 5TH DAY OF FEBRUARY 2014.

BANJO OBALEYE

SUNDAY OLUMORIN

Managing Director/CEO

Financial Controller

CORPORATE GOVERNANCE

Introduction

Infinity Trust Mortgage Bank Plc (The Company) since its quotation as a public limited liability company and the subsequent listing on the floor of Nigeria Stock Exchange has not only embarked on massive building of an enviable reputation as a mortgage institution but has also adopted, applied and implemented best practices in corporate governance, service delivery and value creation to all its stakeholders.

The corporate governance policies are structured to ensure accountability to the board, management and all the various stakeholders and to also provide maximum compliance with the provisions of the various laws and codes in this area. These

includes the Central Bank of Nigeria Code,, the Securities and Exchange Commission Code of Corporate Governance, the Post Listing requirements of Nigerian Stock Exchange, and our internal Code of Corporate Governance and international best practices.

As a mortgage bank listed on the Nigerian Stock Exchange, ITMB's Code of Corporate Governance is targeted at the achievement of the highest standards of transparency, accountability and good corporate behavior in line with international best practices. The governance structures and processes are primed for the satisfaction of the various stakeholders including employees, shareholders, creditors, host communities and regulatory authorities.

Our corporate governance principles which represent our core values includes accountability, transparency, integrity, fairness, discipline, social and environmental responsibility; service excellence, responsible lending and stakeholder-rights' recognition. Directors and Employees are expected to act honestly, in good faith and in the best interest of the Company in all transactions.

The governance structure of the Bank is driven principally by the Board of Directors, which is accountable to the shareholders for creating and delivering sustainable value through the management of the company's business.

The members of the board are made up of a crop of seasoned professionals who do not only have the requisite academic qualifications, integrity, skill and experience but have excelled in their various professions including engineering and construction, banking, law, military and government.

The Board consist of seven members including the Managing Director and Chief Executive Officer, non-executive Chairman and five other non-executive Directors. These directors were appointed based on the Central Bank of Nigeria (CBN) core values enshrined in the Bank's Code of Corporate Governance.

The Board holds a quarterly meeting except where additional meetings are required. The directors are, at each quarterly meeting, provided with comprehensive group information. They are also fed with information on business developments between Board meetings. In the year 2013, the board met 4 times.

The following are the responsibilities of the Board:

- (1) Determines the strategic objectives and policies of the company

- (2) Directing the strategic direction of the company within the framework of reward, incentive and control.
- (3) Ensures that management strikes an appropriate balance between promoting long-term growth and delivering short term objectives.
- (4) Approval of audited or unaudited financial statements and changes in accounting policies
- (5) Appointment or removal of company secretary as well as the approval of other major change in the company's corporate structure excluding internal reorganization.
- (6) Approval of company's strategy, medium and short term plan and budgets.
- (7) Recommendation to shareholders of the appointments or removal of auditors and the remuneration of auditors
- (8) Determination of Board structure, size and composition, including appointments and removal of directors, succession planning for the board, board committee membership and senior management.
- (9) Approval of branch expansion, merger, acquisition and corporate governance frame work.

The Board of Directors performs its oversight functions in the discharge of its duties through its various committees, namely, Board Credit Committee, Board Establishment Committee, Board Risk Management Committee and the Board Audit Committee. These committees meet and dialogue regularly to set broad policy guidelines and direction for the company and also ensure proper management of the bank.

Roles of Chairman and Chief Executive

The roles of chairman and the Chief Executive are distinct and separate and therefore cannot be combined or performed by a single individual. The main responsibility of the chairman is to lead and manage the board such that the company's Board of Directors ensures it operates efficiently and fully discharge its legal and regulatory responsibilities. The chairman ensures the that all directors timely receives accurate and clear information to enable the Board take informed decisions

The chief Executive on the other hand is responsible for the day to day management of the Bank. He executes the power delegated to him in accordance with guidelines approved by the Board of Directors.

Board committees

The Board carries out its responsibilities through its standing committees which have clearly defined term of reference, roles, responsibilities, functions and scope. The board has three standing committees, namely: Board Credit Committee, Board Establishment Committee, Board Risk Management Committee and Board Audit Committee.

The Board Credit Committee:

The Board Credit Committee comprises non-executive Directors and Executive Directors. The functions of this committee include: understanding the principal risks to achieving the Group's strategy; establishing the bank's risk appetite and ensuring that the business profile and plans are consistent with the risk appetite; establish and communicate the risk management framework including responsibilities, authorities and key controls; establishing key control processes and practices, including limit structures, impairment, allowance criteria and reporting requirements; monitoring the operation of the controls and adherence to risk direction and limits; interpret and report on risk exposures, concentrations and risk taking outcomes as well as on sensitivities and key risk indicators; reviewing the challenging all aspects of the Group's risk profile; review the financial reporting process with a view to ensuring the company's compliance with accounting and reporting standards, other financial matters and the applicable laws and regulations; and reviewing and challenging risk management processes.

Members of the Board Credit Committee are: Mr. Dada Ademokoya, Engr. Tunde Olaleke and Mr. Banjo Obaleye.

The Board Establishment Committee:

The Governance and Personnel Committee is made up of two Non-Executive Directors and the Managing Director and the Company Secretary. As the name suggests, this committee is responsible for the overall governance and personnel function of the Board. Some functions of the committee are as follows: To consider and make recommendations to the Board on acquisition of Fixed Assets, Review and recommend nomination of directors to the Board based on a proper selection process; ensure adequate succession planning for Board of Directors and Chief Executive Officer; Ensure the orientation and continuous education of Directors; monitor the procedures established for compliance with regulatory requirements for related party transactions; monitor staff compliance with the Code of Ethics and Business Conduct of the Bank; Ensure compliance with regulatory standards of Corporate Governance and regularly identify international best practices of corporate governance and close any identified

gaps; Recruitment or promotion of staff to Assistant General Manager level and above and to approval of the remuneration, benefits and other terms and conditions of the service contracts of such officers recommend to the Board, the terms and conditions of the service contract including remuneration of the bank's policies committed by staff of Assistant General Manager level and above and apply appropriate sanctions where necessary; review and approval of policies on staff welfare and fringe benefits; annual review of the Board Charter; and ensuring the annual review of the Board and board committees' performance.

Members of the Board Establishment Committee are: Dr. Adeyinka Bibilari, Mr. Banjo Obaleye, Barrister Patrick Ikwueto (SAN)

The Board Audit committee:

This Committee is established in accordance with the provisions of section to the companies and Allied Matters Act and in compliance with the provision of the CBN Code of Corporate Governance for Banks. The Committee consists of three non-executive directors. The Chairman of the Committee is an ex banker. All members of the committee are independent of the bank's management. The committee's primary functions are, to review and ensure the effectiveness of accounting systems and internal controls; review the scope and planning of audit requirements; make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors; and to ensure that the accounting policies of the Bank are in accordance with legal requirements and agreed ethical principles.

Members of the Board Audit and Risk Management Committee are: Mr. Akin Arikawe, Mr. Dada Ademokoya, Egnr. Tunde Olaleke and Barrister Patrick Ikwueto (SAN)

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER, 2013

In accordance with the Provision of Sections 359 (3) (4) and (6) of The Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, we have received the independent auditors' report for the year ended 31 December, 2013 and hereby state as follows:

- i. In our opinion the scope and planning of the audit were adequate
- ii. The accounting reporting policies of the Bank conformed to statutory requirement and agreed ethical practices
- iii. The internal control was been constantly and effectively monitored; and
- iv. The external auditors' management report receive satisfactory response from management

Mr. Akin Arikawe
CHAIRMAN AUDIT COMMITTEE

Abuja, Nigeria

February, 2014.

Members of the Committee

1. Mr. Akin Arikawe
2. Mr. Dada Ademokoya
3. Engr. Tunde Olaleke
4. Barrister Patrick Ikwueto, SAN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFINITY TRUST MORTGAGE BANK PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Infinity Trust Mortgage Bank Plc. and its subsidiaries, set out on pages - to - which comprise the statement of financial position as at 31 December 2013, the income statement, and statement of cash flows for the year then ended and a summary of significant accounting policies and other financial information.

❖ Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in manner required by the Companies and Allied matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars and for such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

❖ Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on auditing. Those standards require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

❖ Opinion

In our opinion these financial statements give a true and fair view of the financial position of Infinity Mortgage Bank Plc as at 31st December, 2013 and of the Bank's financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standard and in manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Bank and Other Financial Institution Act of Nigeria and relevant Central Bank of Nigeria circulars.

❖ Report on Compliance with Banking Regulations

Our examination of loans and advances was carried out in accordance with the prudential guidelines for licensed Mortgage Banks issued by the Central Bank of Nigeria.

In accordance with circular BSD/1/2004 issued by Central Bank of Nigeria, details of related party transactions are disclosed in the notes to the financial statements.

❖ Contraventions

Infinity Trust Mortgage Bank Plc

No contravention of the provision of the Banks and other Financial Institutions Act, CAP B3 LFN 2004 and Circulars of Central Bank of Nigeria was brought to our notice during the year ended 31 December, 2013.

LAGOS, NIGERIA.
FEBRUARY, 2014.

LANRE ABIDAKUN & CO.
(*CHARTERED ACCOUNTANTS*)
FRC/2013/ICAN/00000000919

Statement of Financial Position

Infinity Trust Mortgage Bank Plc

INFINITY TRUST MORTGAGE BANK PLC				
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 2013				
		2013		2012
ASSETS	NOTE	=N=		=N=
Cash and Balances with FMB	18	14,699,110		10,239,357
Due from Other Banks	19	1,531,034,937		1,238,077,811
Loans and Advances	20	1,267,079,500		688,361,842
Investment Securities	22	2,000,000		2,000,000
Deferred Tax	30(ii)	96,040,321		96,040,321
Other Assets	21	138,612,204		105,755,151
Assets Classified as held for Sale	23	1,568,480,000		1,202,790,600
Property, Plant and Equipment	24	2,784,987,507		2,288,205,239
TOTAL ASSETS		7,402,933,579		5,631,470,321
LIABILITIES		=N=		=N=
Customers' Deposit	28	1,318,236,015		482,790,062
Current Income Tax	30	76,823,528		48,663,486
Other Liabilities	29(i)	92,987,709		82,034,658
Retirement Benefit Obligation	29(ii)	75,028		1,247,568
On-Lending Facilities	31	475,233,561		443,085,971
		1,963,355,841		1,057,821,745
CAPITAL AND RESERVES		=N=		=N=
Share Capital	25(i)	2,685,222,860		1,733,644,860
Share Premium	26	1,229,404,465		841,528,140
Retained Earnings		1,009,818,780		973,532,891
Deposit for shares	25(ii)	-		752,167,120
Statutory Reserves	27	310,534,320		272,775,565
Other Reserves		204,597,313		-
		5,439,577,738		4,573,648,576
EQUITY, RESERVES AND LIABILITIES		7,402,933,579		5,631,470,321
The accompanying notes are an integral part of these financial statements.				
The financial statements were approved by the Board of Directors on February 2014				

Statement of Comprehensive Income

Infinity Trust Mortgage Bank Plc

INFINITY TRUST MORTGAGE BANK PLC				
STATEMENT OF COMPREHENSIVE INCOME FOR PERIOD ENDED DECEMBER 2013				
			2013	2012
REVENUE		NOTE	=N=	=N=
Gross Interest Income		32	299,122,020	363,333,489
Less Interest Expense		34	(33,203,772)	(37,581,003)
Net interest Income			265,918,248	325,752,486
Other Income		33	285,262,103	524,323,490
Total Comprehensive Income for the year			551,180,351	850,075,976
Less Operating Expenses:				
Overheads		35	(244,880,898)	(213,359,896)
Depreciation		9,24	(69,665,148)	(71,030,343)
Impairment on Risk Assets		4	(10,055,030)	-
Income before Taxation			226,579,275	565,685,737
Taxation Provision for the year			(37,785,499)	(48,663,486)
Profit for the year for continuing operations			188,793,776	517,022,251
OTHER COMPREHENSIVE INCOME				
Revaluation Surplus			204,597,313	
Total Comprehensive income for the year			393,391,089	517,022,251

Infinity Trust Mortgage Bank Plc

INFINITY TRUST MORTGAGE BANK PLC			
STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31ST DECEMBER 2013			
		2013	2012
		=N=	=N=
Cashflow from operating activities			
Profit for the year		226,579,275	565,685,737
Deduct Corporate Tax paid		(30,747,046)	(48,865,569)
Adjustment for non cash items:		195,832,229	516,820,168
Prior Year Adjustment		(16,826,323)	(14,560,341)
Depreciation		69,665,148	71,030,343
Profit on disposal/ Adjustment of Fixed Assets		-	400,000
Cashflow before changes in working capital		248,671,054	573,690,170
CHANGES IN WORKING CAPITAL		=N=	=N=
Decrease/(Increase) in Loans and Advances		(578,717,658)	7,647,780
Decrease/(Increase) in Other Assets		(32,857,053)	29,495,908
Increase/(Decrease) in Deposits		835,445,953	(1,665,102,885)
(Decrease)/Increase in Long-term and Other liabilities		41,928,101	(40,728,762)
Cash generated from operation		514,470,397	(1,094,997,789)
CASHFLOW FROM INVESTING ACTIVITIES		=N=	=N=
Payment for Property, Plant and Equipment		(520,501,258)	(54,110,451)
Payment for Assets held for sales		(365,689,400)	(832,994,600)
		(371,720,261)	(1,982,102,840)
CASH FROM FINANCING ACTIVITIES		=N=	=N=
Dividend Paid		81,849,935	(81,680,961)
Issue of shares		951,578,000	233,644,860
Deposit for Shares		(752,167,120)	252,167,120
Share Premium		387,876,325	213,853,140
Net Cashflow		297,416,879	(1,364,118,681)
Cash and Bank Balances as at 1st January 2013		1,248,317,168	2,612,435,849
Cash and Bank Balances as at 31st December 2013		1,545,734,047	1,248,317,168

Infinity Trust Mortgage Bank Plc

INFINITY TRUST MORTGAGE BANK PLC							
STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2013							
	SHARE CAPITAL (N)	SHARE PREMIUM (N)	RETAINED EARNINGS (N)	STATUTORY RESERVES (N)	REVALUATION RESERVE (N)	PREFERENCE SHARES (N)	TOTAL (N)
At 1/1/2012	1,500,000,000	627,675,000	604,124,497	169,371,115	-	-	2,901,170,612
Increases	233,644,860	213,853,140	-	-	-	-	447,498,000
Profit	-	-	239,593,651	-	-	-	239,593,651
Transfer - Reserves	-	-	(103,404,450)	103,404,450	-	-	-
Gain on PPE Revaluation	-	-	277,428,600	-	-	-	277,428,600
Actural Gain on Deferred Provision/Prior Year Adjustment	-	-	37,471,554	-	-	-	37,471,554
Total Comprehensive Income	233,644,860	213,853,140	451,089,355	103,404,450	0	-	1,001,991,805
Dividend	-	-	(81,680,961)	-	-	-	(81,680,961)
At 31/12/2012	1,733,644,860	841,528,140	973,532,891	272,775,565	0	-	3,821,481,456
Increase in Equity	351,578,000	387,876,325	-	-	-	600,000,000	739,454,325
Profit	-	-	188,793,776	-	-	-	188,793,776
Transfer - statutory	-	-	(37,758,755)	37,758,755	-	-	-
Revaluation surplus	-	-	-	-	482,025,913	-	482,025,913
Dividend - Paid	-	-	(81,849,935)	-	-	-	(81,849,935)
Actural Gain on Deferred Provision/Prior Year Adjustment	-	-	(32,899,197)	-	-	-	(32,899,197)
As at 31/12/2013	2,085,222,860	1,229,404,465	1,009,818,780	310,534,320	(277,428,600) 204,597,313	600,000,000	(277,428,600) 5,439,577,738

1. REPORTING ENTITY

Infinity Trust Mortgage Bank Plc

Infinity Trust Mortgage Bank Plc (The Company) is a public limited liability company domiciled in Nigeria. The address of the company's registered office is No. 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. The company obtained its licence to operate as a Mortgage Bank in 2002 and commenced operations in March 2003. The company was later converted to a public limited liability company on the 25th January 2013 and became listed on the floor of Nigerian Stock Exchange on 11th December 2013.

The company principal activities are the provision of mortgage services, financial advisory and real estate construction finance.

Infinity Trust Mortgage Bank Plc within the few years of its existence has been able to create a solid landmark of achievement within the mortgage industry. The company is recognized for its efficiency in service delivery, innovation, professionalism and integrity all of which have no doubt make the company a force to reckon with in the Nigerian mortgage sector.

Infinity Trust Mortgage Bank Plc currently has 56 staff and three branches.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 BASIS OF PREPARATION

2.1.1 Statement of Compliance with International Financial Reporting Standard.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by the national regulations are included where appropriate.

2.1.2 Basis of measurement

The financial statement have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets and financial liabilities held at fair value

2.1.3 Use of estimates and judgments

The preparation of 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 Banks accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to financial statements are disclosed as notes to the financial statement.

2.1.4 Functional and Presentation Currency

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

2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and then related taxes. It includes:

- i. Interest income and interest expense Interest income including interest earned on investment securities are recognized on an accrual basis for all interest bearing instruments, except for interest overdue by more than 90 days, which is suspended and recognized only to the extent of cash received.
- ii. Fees, commission and other income: fees and commissions, where material are amortised over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service.
- iii. Dividend Income: dividend is recognized in the income statement when the entity's right to receive payment is established.
- iv. Custody fee income: this is recognized on accrual basis when the service is rendered and is net of taxes

2.3 Financial Instruments

(a) Recognition and measurement

Financial assets and financial liabilities are recognized in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognized at their fair value plus in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instrument are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

Financial assets are derecognized when and only when:

- The contractual rights to the cash flows from the financial assets expire; or

- The company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognized when and only when liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Investments made by the company which are classified as either held at fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

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.

The fair values of quoted investments and unit trust in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

2.4 De-recognition of financial instrument

Financial assets are derecognized when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognized when they are extinguished, that is when the obligation is discharged, cancelled or expires.

2.5 Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosure':

- Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instrument in active market;
- Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

-

2.6 Financial Assets

Financial Assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held-to-maturity and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset.

2.6.1 Financial Assets at fair value through profit or loss

This category has two components: those held for trading, and those designations at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin, or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception is those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognizing gain and losses on them on different bases; or
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

The company's investment strategy is to invest in equity and debt securities, and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

3 Loans and Advances

Loans and advances being provided by receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money; goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less impairment losses. The amortized cost of financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amounts recognized and the maturity amount represents its fair value

4 Identification and measurement of impairment for loans and advances

At each reporting date the Company assesses whether there is objective evidence that financial assets carried at amortised cost are impaired. A financial asset or a group of financial assets is

impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. Objective evidence that financial assets are impaired can include:

- i. Significant financial difficulty of the issuer or obligor;
- ii. A breach of contract, such as a default or delinquency in interest or principal payments;
- iii. The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- iv. It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- v. The disappearance of an active market for that financial asset because of financial difficulties;
- vi. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets
- vii. Although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: adverse changes in the payment status of borrowers in the portfolio;
- viii. National or local economic conditions that correlate with defaults on the assets in the portfolio.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

5 Provisions

Provision are recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

6 Provision against credit risk

Loans and advances are stated after the deduction of provision against debts considered doubtful of recovery. Loans and advances are classified either as performing or non-performing. Loans and advances are classified either as performing or non-performing. Loans and advances are considered non-performing when interest and /or principal is/are due and unpaid for 90 days or more. Interest income on non-performing loans are suspended and only recognized on cash basis.

Commercial loans are loans granted to different types of business entitle to them with short term funding to meet basic operational functions. The exposure will be repaid from the sales proceeds.

Real Estate Loan are provided for funding of real estate (such as office buildings to let, retail space, multifamily residential buildings, industrial or warehouse space, and hotels) where the prospects for repayment and recovery on the exposure depend primarily on the cash flows generated by the asset. The primarily source of these cash flows would generally be lease or rental payments or the sale of the asset. Commercial Real Estate Loan is the financing of commercial real estate that exhibits higher loss rate volatility (i.e. higher asset correlation) compared to other types of specialized lending.

Infinity Trust Mortgage Bank Plc

Provision is made in accordance with the Prudential Guidelines for Licensed Mortgage Banks issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

a. Mortgage Loan

Interest and or principal that is outstanding for;	Classification:	Minimum Provision:
More than 90 days from due date	Watch list	1%
90 days to 180 days from due date	Substandard	10%
More than 1 Year	Doubtful	50%
Over 2 years from due date	Lost	100%

b. Commercial Real Estate Financing

Interest and or principal that is outstanding for;	Classification:	Minimum Provision:
60% to 75% amount due recovered	Watch list	1%
More than 180 days from due date to 1 year	Substandard	25%
More than 1 year from due date to 2 year	Doubtful	50% of outstanding balance
Overdue 2 years to 3 years	Very Doubtful	75%
Overdue more than 3 years	Lost	100

c. Terms Loans and Others

Category	Classification	Days past due	% of Provision
1.	Sub-standard	91 – 180 days	10% on total outstanding principal
2.	Doubtful	181 – 360 days	50% on total outstanding principal
3.	Lost	Above 360 days	100% on total outstanding principal

In addition, a provision of 1% minimum is made for all performing accounts to recognize losses in respect of risks inherent in any credit portfolio.

When a loan is deemed not collectible, it is written off against the related provision for impairments and subsequent recoveries are credited to the statement of comprehensive income.

Risk assets such as guarantees and contingencies in respect of which a previous provision was not made are written directly to the profit and loss account when they are deemed to be not collectible.

7. Financial liabilities

Financial liabilities are recognized initially at fair value, being generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortized cost and interest is recognized over the period of the borrowing using the effective interest method.

The company classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar risks. Such liabilities are accounted for at fair value with changes in fair value recognized in profit or loss.

(i) Gain and losses

Gain and losses arising from changes in the fair value of the financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. Gain and losses arising from changes in the fair value of available-for-sale financial assets are recognized in comprehensive income, until the financial asset is derecognized or impaired at which time the cumulative gain or loss previously recognized in comprehensive income is recognized in profit or loss. Interest income, calculated using the effective interest method, is recognized in profit or loss except for short term receivables where the recognition of interest would be immaterial. Dividends on available-for-sale equity instruments are recognized in the profit or loss when the company's right to receive payment is established.

(ii) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that exactly discounts estimated future cash receipt (including all fees on points paid or received that form an integral part of the effective interest rate transaction costs and other premiums or discounts) a shorter period, to the net carrying amount on initial recognition.

(iii) Impairment of financial assets

(a) Assets carried at amortized cost

At each reporting date, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or event) has an impact on the estimated future cash flows of the financial asset or group of financial assets that be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are not individually significant. If the company determines that no

objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, if then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discount at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are writing off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reverse shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss.

8. Investment properties

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the enterprise. A piece of property is treated as an investment property if it is not occupied substantially for use in the operations of the Bank, an occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an Investment property, the carrying amount of the property is written down to recognize the loss. Such reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Bank policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to owners' equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than the profit and loss account.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit or loss account is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

Investment properties are disclosed separate from the property, plant and equipment used for the purposes of the business.

However, the Banks earlier treatment of their investment exposure as investment properties, has now been reclassified as *Non- Current Assets Held for Sale*.

This is recognized in accordance with IFRS 5 as directed by CBN circular Ref: OFI/DIR/CIR/GEN/01/107.

9. Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. They are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is possible that future economic benefits associated with asset will flow to the Bank and the cost of the asset can be measured reliably. All other repairs and maintenance are charge to the profit and loss account during the financial period in which they are incurred.

Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as Prepayment in Other Assets and upon delivery are reclassified as addition in the additions in appropriate category of property, plant and equipment. No depreciation is charged until the assets are put into use.

Depreciation is calculated on straight line basis to write down the cost of property, plant and equipment to their residual values over their estimated useful life as follows:

Property, Plant & Equipment	Percentage (%)
Freehold Building	1%
Furniture and fittings	20%
Computer hardware and data processing equipment	20%
Office Equipment	20%
Motor Vehicle	25%

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 amount. The recoverable amount is the higher of the asset's value less cost to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss account for the year.

Where items of property, plant and equipment are subsequently carried out as revalued amounts, an entire class of property, plant and equipment is revalued or the selection of the items for revaluation is done on a systematic manner.

Any accumulated depreciation at the date of revaluation is not credited to profit and account or retained profit.

Computer software's are costs that directly associated with production of identifiable and unique software products which are controlled by the group and which will probably generate economic benefits exceeding costs. These costs are amortised on the basis of 20%. Cost associated with maintaining software programs are recognized as expense when incurred.

On revaluation of property, plant and equipment, an increase in the net book value is credited to a revaluation surplus reserve. A decrease in the net book value is used to reduce the amount of any existing revaluation surplus on the same item before it is charged to profit and loss account.

However during the year, the head office building at no 11 Kaura Namoda Street Area 3, Abuja and the branch office at Mararaba, Keffi Express Road, Karu, Nasarawa – State were revalued on 15th June 2013 and 23rd of June 2013 respectively, from Carrying Value of N2, 166,766,710 to N2,648,792, 623 by both Messrs Shola Abeji and partners and Uche Ezugwu and co. These were done in line with IAS 16 which states that Property, Plants and Equipment of the same class of assets should all be revalued when applying revaluation model.

Valuation of the properties were carried out based OPEN MARKET APPROACH that is the price which the interest subsisting in the subject property might reasonably be expected to realize in a sale by private treaty, that is a situation where a willing and well informed buyer and seller bargain under no restrictive terms.

Upon sale or disposal of an item of Property, Plant and Equipment, the difference between the proceeds and the net book value is transferred to profit and loss account. Any balance in the revaluation surplus reserve in respect of such item is transferred to profit and loss account (or retained profit reserve).

Subsequent depreciation on revalued items of property, plant and equipment is calculated on the new value and charge to income.

10 Cash and cash equivalent

Cash comprises cash on hand and demand deposit denominated in Naira. Cash equivalents are short-term, highly liquid instruments which are:

- a) Ready convertible into cash, whether in local or foreign currency; and
- b) So near to their maturity date as to present insignificant risk of changes in interest rates.

11 Retirement benefits

The Bank has defined contribution plans.

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Bank makes contributions on behalf of qualifying employee to a mandatory scheme under the provisions of the Pension Reform Act of 2004. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payment is available. The employer and employee make contribution of 71/2% each of designated allowances. The total contribution by both employer and employee is 15%.

NOTES TO THE FINANCIAL STATEMENTS

12 Financial Risk management

12.1 Introduction

Infinity Trust Mortgage Bank Plc uses its financial skills to provide competitive Mortgage Bank skill to a broad range of customers.

Risk management is essential to help ensure business sustainability thereby providing Customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal Control processes
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of trades.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

12.2 Significant risks

The company has exposure to significant risks which are categorised as follows:

- Regulatory (capital adequacy, legal, accounting and taxation);
- Business environment (reputation and strategic);
- Operational (people, information technology and internal control processes
- Market (equity prices, interest rate and currency);
- Liquidity; and
- Concentration

Detailed discussion of significant risks

12.2.1 Regulatory risks

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business

of the Company. In order to manage this risk, the company is an active participant in industry and preferred bodies such as the association of Mortgage Bankers of Nigeria, Nigeria Stock Exchange, and Securities and Exchange Commission and engage in discussions with policy makers and regulators.

12.2.2 Regulatory capital risk

Regulatory capital risk is the risk that the company does not have sufficient capital to meet either minimum regulatory or internal amounts.

The Securities and Exchange Commission sets and monitors capital requirement for the company to protect its clients and counterparties. The Company is required to maintain a prescribed minimum level of risk adjustment capital of N5billion (Five Billion Naira only) calculated in accordance with such requirements as Securities and Exchange Commission may from time to time prescribe.

The company's objectives in managing capital are:

- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefit for other stakeholders; and
- To provide an adequate return to the shareholder commensurately with the level of risk.

The table below summarizes the minimum required capital and the regulatory capital held. The current year is, in general, an estimate that is updated once calculations prepared for the regulation are final.

	2013	2012
Regulatory minimum capital requirement (N'000)	<u>5,000,000</u>	<u>5,000,000</u>
Actual qualifying capital (N'000)	<u>5,479,104</u>	<u>4,573,649</u>
Actual capital ratio (times)	<u>1.1:1</u>	<u>0.91:1</u>

NOTES TO THE FINANCIAL STATEMENTS

12.3.1 Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31st December 2013, the directors are not aware of any significant obligation not provided for.

12.3.2 Taxation risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transaction risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

12.3.2.1 Transactional risk

The risk which concerns specific transactions entered into by the company, including restructuring projects and re-organizations

12.3.2.2 Operational risk

The underlying risks of applying tax law, regulations and decisions to the day-to-day business operations of the company.

12.3.2.3 Compliance risk

The risk associated with meeting the company's statutory obligations.

12.3.2.4 Financial accounting risk

The risk relates to the inadequacy of proper internal control over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfill its responsibilities under tax law in each of the jurisdiction in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personnel taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and
- The company ensures that, where clients participate in company products, these clients are either aware of the probable tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfillment of tax responsibilities against the specific requirement of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

12.3.3 Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting systems and to have proper accounting policies
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measuring to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately the reflecting the financial position results and cash flows of the company.

NOTES TO THE FINANCIAL STATEMENT

12.3.4 Business environment

12.3.4.1 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

In the recent past, there have been extensive media reports to the industry as a whole regarding:

- The Pension Fund Administration:
- Fraud: and
- Customer service

The company has seen a reduction in the number of customer complaints as staff continues to take ownership and as quality, and not only quantity becomes an increasing focus. Client expectations regarding investment performance is managed by regular communication and on-going reviews.

12.3.4.2 Strategic risk

Strategic risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react external factors, which could impact the future direction of the relevant business unit.

Company Risk identifies and assesses both these risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation, Company Risk create an overview of local and global risks which also includes reputation risks, analyses the risk profile of the company and regularly informs director and management.

NOTES TO THE FINANCIAL STATEMENTS

12.3.4.3 **Operation risk**

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

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls augment by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular audit reviews.

12.3.4.4 **Market risk**

Market risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

Asset liability matching risk

Asset liability mismatches and market risks are assessed by means of a number of stress tests each designed to examine a different component of market and mismatch risk.

Liquidity requirements and cash resources are reviewed on a monthly basis by the asset liability matching and capital management committees.

The company's assets are relatively liquid with listed equities and cash being easily realizable.

The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk, market price risk and currency risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest rate and market price risk

These risks have very different impact on the various categories of business used in the company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest rate risk

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

12.3.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

- Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and
- Certain accounts within trade and other receivables.

12.3.6 Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the company's exposure to this credit:

- Exposure to outside financial institutions concerning financial instruments is monitored in accordance with parameters which have been approved by the company's Audit Committee and the company's board as mandated by the board of Infinity Trust Mortgage Bank Plc.

12.3.7 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Infinity Trust Mortgage Bank Plc is a registered mortgage bank and is required to hold minimum liquid capital. The Central Bank of Nigeria (CBN), Nigerian Deposit Insurance Corporation (NDIC), Federal Mortgage Bank of Nigeria (FMBN) and the Nigeria Stock exchange are the regulatory authority that regularly reviews compliance with these minimum capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

12.3.8 Sensitivities

Management applies a number of sensitivity tests to the earnings of the company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following “reasonable possible” changes in each of the factors to which the company is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound an interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is “reasonable possible”, though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all of the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

- The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year;
- The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for.

This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management’s opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

13 TAXATION

13.1 Income Tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognized as an expense in the period in which the related profits arise. The tax effects of income tax losses available for carry forward are recognized as an asset, when it is probable that taxable profit will be available against which these losses can be utilized.

13.2 Deferred Tax

Deferred tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal timing differences arise from depreciation of property, plant and equipment. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.

14. Borrowed fund

Borrowed funds are recognized initially at their issue proceeds and subsequently stated at cost less any repayments.

The transaction costs where in material, are recognized immediately in the profit and loss account. Where transaction costs are material, they are capitalized and amortised over the life of the loan. Interest paid on borrowing is recognized in the profit and loss account for the period.

15. Ordinary share capital

- i. Share issue costs:
Incremental cost directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net tax, from the proceeds.
- ii. Dividend on ordinary :
Dividend on ordinary shares are appropriated from revenue reserve in the period they are approved by the Bank's shareholders.

Dividend for the year that are approved by the shareholders after the balance sheet date are dealt with in the subsequent events note.

Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matter Act, CAP C20 Laws of the federation of Nigeria.

16. Sale of loans or securities

A sale of loans or securities without recourse to the seller is accounted for as a disposal and the assets excluded from the statement of financial position.

Profit or losses on sale of loans or securities without recourse to the seller is recognized by the seller when the transaction is completed.

The Bank regards a sale of loans or securities as without recourse, if it satisfies all the following conditions. Any sale not satisfying these conditions will be regarded as with recourse.

- Control over the economic benefits of the asset must be passed on to the buyer;
- The seller can reasonably estimate any outstanding cost; and
- There must not be any repurchase obligations.

A sale or transfer of loans or securities with recourse and when there is an obligation to, or an assumption of, repurchase is not treated as a sale, and the asset remains in the Bank statement of financial position, with any related cash received recognized as a liability.

Profit arising from sale or transfer of loan or securities with recourse to the seller is amortised over the remaining life. However, losses are recognized as soon as they can reasonably be estimated.

Where there is no obligation or assumption of repurchase, the sale should be treated as a disposal and the asset excluded from the statement of financial position, and any contingent liability disclosed.

17. Earnings per share

The Bank presents basic earnings per share and diluted earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Bank (after adjusting for interest on the convertible loan net of tax) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary that would be issued on conversion of the dilutive potential ordinary shares into ordinary shares.

Infinity Trust Mortgage Bank Plc

			NOTES TO THE ACCOUNTS	
			2013	2012
18. CASH AND BALANCES WITH FM			=N=	=N=
Cash in Vault			14,359,110	9,899,357
Deposit with FMBN			340,000	340,000
			14,699,110	10,239,357
The company has restricted Cash Balance with the Federal Mortgage Bank of Nigeria (FMBN). This Balance made is up of Cash Reserve Requirement which represents a mandatory cash deposit that should be held at FMBN as a regulatory requirement. Restricted Deposit bwith FMBN is not available for use in the bank's day to day operations.				
19. DUE FROM OTHER BANKS			=N=	=N=
Guaranty Trust Bank			748,329	24,631,895
Eco Bank			1,511,340	1,490,710
Bank PHB (Keystone Bank)			1,359,227	568,014
Fidelity Bank			86,341,878	24,290,529
Fidelity Bank Plc-Royal mills Acct.			47,702	-
Stanbic IBTC-Royal mills Acct.			11,315,000	-
First Bank Nigeria Plc			4,192,942	12,676,702
FCDA			4,338,995	1,977,253
Stanbic IBTC Bank			63,855,745	193,665,408
First Bank Plc.-Royal mills Acct.			50,749,804	-
ATM Settlement-Stanbic IBTC			27,796,675	-
PLACEMENTS				
Fidelity Bank			399,237,300	549,237,300
Diamond Bank Plc			20,000,000	120,000,000
Heritage Bank			600,000,000	-
Bank PHB (Keystone Bank)			59,540,000	259,540,000
FCMB			150,000,000	-
Stanbic IBTC Assets MGT LD			50,000,000	50,000,000
			1,531,034,937	1,238,077,811
20. LOANS AND ADVANCES			=N=	=N=
i(a) MORTGAGE LOANS				
Mortgage Loans (NHF)			212,781,889	247,654,368
Mortgage Loans (Commercial)			637,212,712	494,146,544
Mortgage (Estate Development)			477,733,760	-
			1,327,728,361	741,800,912
i(b) OTHER LOANS			=N=	=N=
Overdraft/Others			39,912,698	37,740,244
Term Loans			686,256	1,192,625
Staff Lons			1,803,028	623,874
			42,401,982	39,556,743
50				

Infinity Trust Mortgage Bank Plc

(ii) Analysis by classification		=N=		=N=
Overdrafts		39,912,698		37,740,244
Loans		1,330,217,645		743,617,411
		1,370,130,343		781,357,655
Less Interest In Suspense		21,775,314		9,426,438
		1,348,355,029		790,784,093
(iii) Analysis by Security		=N=		=N=
Secured by Real Property		1,327,728,361		741,800,912
Otherwise Secured		42,401,982		39,556,743
Unsecured		-		-
		1,370,130,343		781,357,655
(iv) Maturity Profile of Loans and Advances		=N=		=N=
Under 1 Month		47,135,938		38,862,329
1 - 3 Months		5,025,505		2,136,058
3 - 6 Months		613,823		1,146,904
6 - 12 Months		5,859,363		7,979,299
Over 12 Months		1,311,495,714		731,233,064
		1,370,130,343		781,357,655
(v) Loans and Advances Impairment				
Mortgage Loans (NHF)		212,781,889		247,654,368
Mortgage Loans (Commercial)		637,212,712		494,146,544
Mortgage (Estate Development)		477,733,760		-
Overdraft/Others		39,912,698		37,740,244
Term Loans		686,256		1,192,625
Staff Loans		1,803,028		623,874
		1,370,130,343		781,357,655
Less: Provision for Impairment:				
Collective		65,604,114		42,642,674
Specific		37,446,729		50,353,139
Impairment		103,050,843		92,995,813
		1,267,079,500		688,361,842

Infinity Trust Mortgage Bank Plc

[illegible]

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[illegible]

Infinity Trust Mortgage Bank Plc

		2013	2012
		=N=	=N=
29.(i) Other Liabilities			
Sundry Payables		92,987,709	82,034,658
		<u>92,987,709</u>	<u>82,034,658</u>
(ii) RETIREMENT BENEFIT AND OBLIGATION			
Movement of the defined contribution liability recognised in the bal sheet		=N=	=N=
Opening Balance		1,247,568	1,174,958
Charge to Statement of Comprehensive Income		3,092,883	3,782,228
Contribution Remitted		(4,265,423)	(3,709,618)
Closing Balance		<u>75,028</u>	<u>1,247,568</u>
30(i) Taxation		=N=	=N=
(i) Per Profit and Loss Account			
(a) Company Income Tax		29,594,819	35,832,879
(b) Education Tax		5,924,888	7,173,750
(c) Technology Tax		2,265,793	5,656,857
		<u>37,785,500</u>	<u>48,663,486</u>
Per Balance Sheet:		=N=	=N=
Based on Profit of the year		37,785,500	48,663,486
Outstanding in respect of previous year		48,663,486	48,865,569
Additional Tax		21,121,588	-
Payment during the year		(30,747,046)	(48,865,569)
Balance as at 31st December		<u>76,823,528</u>	<u>48,663,486</u>
(ii) DEFERRED TAXATION			
Deferred tax is provided using the liability method for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rate are used to determine deferred income tax.			
Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.			
During the year under review, the state of deferred tax asset is shown below:			
Movement in deferred taxes:		=N=	=N=
Opening Balance		96,040,321	38,753,395
Movements in PPE		-	57,286,926
Closing Balance		<u>96,040,321</u>	<u>96,040,321</u>
The deferred tax arose in comparing Tax Written Down Value of PPE in the Banks books with the Carrying Value of such assets applying the tax rate thereon with the resultant effect being deferred tax asset. There was no movement in 2013.			
31. ON-LENDING FACILITIES		=N=	=N=
FMBN, NHF Loans Account		<u>475,233,561</u>	<u>443,085,971</u>

Infinity Trust Mortgage Bank Plc

	2013	2012
	=N=	=N=
32. INTEREST INCOME		
The analysis by sources of interest incomes are as follows:		
Interest Income on Loans and Advances	133,688,482	88,873,957
Interest from Treasury Operations	24,224,656	22,219,165
Estate/Mortgage Income	33,752,521	-
Interest on Placements	94,748,278	235,995,334
Interest Income on NHF	12,708,083	16,245,033
	<u>299,122,020</u>	<u>363,333,489</u>
33. OTHER INCOME	=N=	=N=
Income from Revaluation of Property In	-	277,428,600
Fees and Commissions	48,313,414	41,149,862
Penalty Charges	151,047	91,543
Sundry Income	2,419,418	649,940
Profit on sale of Fixed Assets	-	925,000
investment Income	206,449,204	178,112,245
E- Business	3,772,980	-
Rental Income	22,905,000	24,905,000
Income From Sales of Cheque Books	875,150	743,000
Income fom SMS	375,890	318,300
	<u>285,262,103</u>	<u>524,323,490</u>
34. INTEREST EXPENSE	=N=	=N=
Customer Accounts	33,132,504	19,007,184
Interest Paid on NHF	71,268	18,573,819
	<u>33,203,772</u>	<u>37,581,003</u>
35. OPERATING EXPENSES	=N=	=N=
Staff and other related cost	68,737,315	81,122,102
Staff pension employer contribution	3,097,883	3,782,228
Auditor/ Accoutancy fee	1,200,000	1,200,000
Other Operating Expenses	171,845,700	127,255,566
	<u>244,880,898</u>	<u>213,359,896</u>

Infinity Trust Mortgage Bank Plc

	2013	2012
	=N=	=N=
32. INTEREST INCOME		
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Other Operating Expenses	171,845,700	127,255,566
	<u>244,880,898</u>	<u>213,359,896</u>

Infinity Trust Mortgage Bank Plc

STATEMENT OF VALUE ADDED					
		2013	%	2012	%
		=N=		=N=	
Gross Earnings		1,066,410,036		887,656,979	
Less Interest Expenses and Overheads		(374,124,412)		(165,856,569)	
		692,285,624		721,800,410	100
VALUE ADDED		=N=		=N=	
Applied as follows:					
Payment to Employees					
Staff Cost		71,835,198	10	84,904,330	12
To pay providers of capital					
Dividends		81,849,935	12	81,860,961	11
To pay government					
Taxation		37,785,499	6	48,663,486	7
To provide for future replacement of assets and expansion of business					
Depreciation		69,665,148	10	71,030,343	10
Retained Profit		393,391,089	57	331,936,840	46
Statutory Reserve		37,758,755	5	103,404,450	14
VALUE ADDED		692,285,624	100	721,800,410	100
Value added represents additional wealth the company has been able to create by its employees' efforts. This statement					
shows the allocation of that wealth between employees, providers of funds, government and that retained for the					
future creation of more wealth.					

Infinity Trust Mortgage Bank Plc

	2013	2012	2011 (9 MTHS)	2010 (12 MTHS)	2010
	12/31/2013	12/31/2012	31/12/11	31/12/10	31/03/10
	=N=	=N=	=N=	=N=	=N=
ASSETS					
Cash & Short Term Funds	1,545,394,047	1,247,977,168	2,612,095,849	1,029,758,679	1,592,616,215
Deposit with FMBN	340,000	340,000	340,000	340,000	340,000
Investment Securities	2,000,000	2,000,000	7,000,000	142,500,000	137,500,000
Assets held for sale	1,568,480,000	1,202,790,600	364,796,000	140,500,000	78,640,000
Loans and Advances	1,267,079,500	688,361,842	701,817,043	1,062,458,261	614,448,669
Other assets	138,612,204	105,755,151	134,251,059	23,675,821	25,043,950
Deferred Tax	96,040,321	96040321	38,753,395	-	-
Property, Plant & Equipment	2,784,987,507	2,288,205,239	2,305,900,131	2,204,800,224	2,167,879,267
Total Assets	7,402,933,579	5,631,470,321	6,164,953,477	4,604,032,985	4,616,468,101
LIABILITIES	=N=	=N=	=N=	=N=	=N=
Deposits, Savings etc.	1,318,236,015	482,790,062	2,147,892,947	1,440,711,278	990,035,905
Taxation	76,823,528	48,663,486	48,865,569	45,560,946	59,802,300
Dividend	-	-	-	17,106,448	49,661,944
Liabilities	568,296,298	526,368,197	567,024,349	494,063,027	561,696,009
Total Liabilities	1,963,355,841	1,057,821,745	2,763,782,865	1,997,441,699	1,661,196,158
Net Assets	5,439,577,738	4,573,648,576	3,401,170,612	2,606,591,286	2,955,271,943
FINANCED BY:					
CAPITAL & RESERVES	=N=	=N=	=N=	=N=	=N=
Share Capital	2,685,222,860	1,733,644,860	1,500,000,000	1,500,000,000	1,900,000,000
Share Premium Account	1,229,404,465	841,528,140	627,675,000	627,675,000	627,675,000
Deposit for Share	-	752,167,120	500,000,000	-	-
Statutory Reserve	310,534,320	272,775,565	169,371,115	133,068,466	119,383,309
Retained Earning	1,009,818,780	973,532,891	604,124,497	345,847,820	308,213,634
Other Reserves	204,597,313	-	-	-	-
	5,439,577,738	4,573,648,576	3,401,170,612	2,606,591,286	2,955,271,943
COMPREHENSIVE INCOME					
Total comprehensive income for the year	551,180,351	850,075,976	215,895,712	82,908,898	299,725,618
Income Before Taxation	226,579,275	517,022,251	215,895,712	82,908,896	229,725,618