



TAJBANK LIMITED

AUDITED FINANCIAL STATEMENT

31ST DECEMBER 2024

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Our **Vision**

To be the leading African Financial Institution with a reputation for excellent customer experience and innovative solutions.



Our **Mission**

To build a sustainable ethical brand through exceptional service, innovation and professionalism whilst enhancing stakeholders' value.



Core **Values**

TRUST AND JUSTICE.
CUSTOMER CENTRIC.
EXCELLENCE
DETERMINATION.
INNOVATION



TAJ-CEDI

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Alh. Tanko Isiaku Gwamna	-	Chairman
Alh. Tata S. Omar	-	Independent Non-Executive Director
Mr. Adekunle J. Awe	-	Independent Non-Executive Director
Hajiya Mariam Ibrahim	-	Non-Executive Director
Mallam Ahmed A. Joda	-	Non-Executive Director
Mr.KogisJonathanLuka	-	Non-Executive Director
Barr. Habib Alkali	-	Non-Executive Director
Mr. Charles Ebienang	-	Non-Executive Director
Hajiya Hafsatul Lawal Garba	-	Non-Executive Director
Dr. Jameel Muhammad Sadis	-	Non-Executive Director
Dr. Nura Manu Soro	-	Non-Executive Director
Mr. Hamid A. Joda	-	Managing Director/Chief Executive Officer
Mr. Sherif Idi	-	Executive Director/Executive Compliance Officer

COMPANY SECRETARIAT

Amina Usman Toli

REGISTERED OFFICE

TAJBank Ltd
Plot 72, Ahmadu Bello Way
Central Business District
Abuja

AUDITORS

Ahmed Zakari & Co.
5th Floor African Alliance Building
F1 Sani Abacha Way
P.O. Box 6500
Kano

TAX ADVISORS

Fiduciary Consulting
No. 5 Port Harcourt crescent,
NSITF Building Area 11
Garki, Abuja

**FINANCIAL REPORTING COUNCIL OF
NIGERIA (FRCN) CORPORATE NUMBER**

FRC/2023/COY/398708

Our Branches

S/N	BRANCH NAME	BRANCH ADDRESS
1	ABUJA CORPORATE BRANCH	PLOT 72 AHMADU BELLO WAY CBD ABUJA
2	KANO MAIN	110 MM WAY KANO
3	NASS (ABUJA)	TAJBANK. SENATE BUILDING, NATIONAL ASSEMBLY, ABUJA
4	SOKOTO BRANCH	NO 8 KANO ROAD, SOKOTO
5	KADUNA BRANCH	NO 20, ALI AKILU ROAD KADUNA
	GOMBE BRANCH	PLOT NO. 35 ON RESIDENTIAL AND TRADING LAYOUT PLAN BEHIND JIBWIS
6		SECONDARY SCHOOL, MAIN MARKET, GOMBE, GOMBE STATE.
7	MAIDUGURI BRANCH	NO 9 KIRI KASAMA ROAD, MAIDUGURI, BORNO STATE.
8	YOLA BRANCH	POLICE ROUND ABOUT, ALONG YOLA ROAD, YOLA - JIMETA, ADAMAWA
9	SABON GARI (KANO)	NO. 1 OKONKWO AVENUE, BY IGBO ROAD, SABON GERI MARKET, KANO
10	KOFAR WAMBAI (KANO)	KOFAR WAMBAI, ALONG IBB WAY, KANO, KANO STATE.
11	HOTORO (KANO)	HOTORO SOUTH, NASSARAWA DISTRICT, NASSARAWA LGA, KANO.
12	KURNA ASABE (KANO)	KURNA ASABE, KATSINA ROAD, KANO, KANO STATE.
13	WUSE MAIN (ABUJA)	PLOT 652 CADESTRAL ZONE, AMINU KANO CRESCENT WUSE 2 ABUJA
14	BAUCHI BRANCH	NO 21 AHMED ABDULKADIR ROAD, BAUCHI
15	IKOYI FALOMO (LAGOS)/BOURDILLON	7 ALFRED REWANE STREET, IKOYI, FALOMO. LAGOS
16	APAPA BRANCH (LAGOS)	NO. 16 BURMA ROAD, APAPA LAGOS STATE.
17	ZOO ROAD (KANO)	NO 3A ZOO ROAD KANO STATE
18	KASUWAN BACCI (KADUNA)	NO 36 DUTSENMA STREET KASUWAN BACCI TUDUN WADA KADUNA STATE".
19	GWARIMPA (ABUJA)	NO. 15 1ST AVENUE, GWARINPA, 11 ESTATE, ABUJA
20	OGUN HOUSE CBD (ABUJA)	74 RALPH SHODEINDE STREET, CBD ABUJA
21	RIGASA (KADUNA)	AX 32, NNAMDI AZIKIWE BYPASS, SABON-GARI, TUDUN WADA, KADUNA STATE
22	PORT-HARCOURT BRANCH	NO. 17A, TRANS AMADI, PORT-HARCOURT, RIVERS STATE
	MAGAJI GARI (KADUNA)	PLOT NO. ZZ1 ABUBAKAR KIGO ROAD BY AHMADU BELLO WAY-ZARIA ROAD
23		KADUNA STATE.
24	SABON TASHA (KADUNA)	NO 5 KACHIA ROAD SABON TASHA KADUNA
25	OWERRI BRANCH	NO. 123 WETHERAL ROAD, OWERRI MUNICIPAL COUNCIL
26	NAIBAWA (KANO)	PLOT 373 NAIBAWA KUMBOTSO DISTRICT LGA, KANO STATE
27	KATSINA BRANCH	NO 132 IBB WAY, KATSINA LOCAL GOVERNMENT AREA, KATSINA STATE.
28	KAWO (KADUNA)	PLOT 49916, ALI AKILU ROAD, KAWO, KADUNA STATE.
29	YAKUBU GOWON WAY (KADUNA)	PLOT 3B AHMADU BELLO/YAKUBU GOWON WAY KADUNA STATE
30	KABUGA (KANO)	PLOT C-4 KABUGA SHOPPING ACHADE ALONG GWARZO ROAD, KANO STATE
	AJAH BRANCH (LAGOS)	BOLD HOUSE KM 24, LEKKI-EPE EXPRESSWAY BY THOMAS ESTATE AJAH, BESIDE
31		FURNITURE HOUSE ETI-OSA LOCAL GOVERNMENT AREA, LAGOS STATE
32	ASPAMDA BRANCH / TRADE FAIR (LAGOS)	ASSOCIATION OF PROGRESSIVE TRADERS SECRETARIAT, TRADE FAIR COMPLEX
33	GUSAU BRANCH	NO 7 UMAR YARDUA GOVERNMENT HOUSE ROAD GUSUA ZAMFARA STATE
34	OSHODI BRANCH	NO 12, OSHODI APAPA EXPRESS WAY, OSHODI, LAGOS STATE
35	MUBI- ADAMAWA	GARKEJE, YELWA WARD, MUBI LGA., ADAMAWA
36	BELLO ROAD (KANO)	NO 21E BELLO ROAD KANO STATE
37	FUNTUA (KATSINA)	ZARIA - FUNTUA ROAD, FUNTUA.
38	MARINA (LAGOS)	34 MARINA POST OFFICE, MARINA BUS STOP, LAGOS
39	IDUMAGBO (LAGOS)	31 IDUMAGBO, LAGOS-ISLAND
40	DAMATURU - YOBE	ALONG MAIDUGURI ROAD DAMATURU IN YOBE STATE
41	POTISKUM - YOBE	NO. 162 MUHAMMED IDRIS WAY, POTISKUM YOBE STATE
42	JALINGO - TARABA	ALONG BARDE WAY TURAKI B-WARD, JALINGO TARABA STATE.
43	ALLEN AVENUE (LAGOS)	61, ALLEN AVENUE, IKEJA, LAGOS
44	JOS	AHMADU BELLO WAY JOS PLATEAU STATE
45	ASABA	50, DENNIS OSADEBAY ROAD, ASABA, DELTA STATE
46	DUTSE	ALONG IBB WAY, DUTSE -JIGAWA STATE
47	ADMIRALTY	BLOCK 36, PLOT 8 ADMIRALTY WAY, LEKKI PENINSULA SCHEME 1, ETIOSA LAGOS
48	KETU	NO 457 IKORODU ROAD KETU LAGOS STATE

Cash Centers

S/N	BRANCH NAME	BRANCH ADDRESS
1	WUSE CASH CENTER	WUSE MARKET, ABUJA
2	GUDU CASH CENTER	GUDU ELECTRICAL MARKET, ABUJA
3	GARKI CASH CENTER	GARKI 2 MODEL MARKET, ABUJA
4	AA RANO, AIRPORT ROAD CASH CENTER	AA RANO, AIRPORT ROAD, ABUJA
5	KUBWA ABUJA CASH CENTER	PLOT 29 CADASTRAL ZONE, F13 KUBWA DISTRICT ABUJA.
6	SHARADA - KANO	NO. 4/5 YAHAYA GUSAU ROAD SHARADA ZARA PLAZA. KANO STATE

About TAJBank

TAJBank has emerged as a pioneering force in Nigeria's non-interest banking sector, demonstrating remarkable growth and innovation since its inception. After securing its banking license from the Central Bank of Nigeria on **July 3, 2019**, the Bank commenced operations on **December 2, 2019**, with its head office situated in **Abuja**. From the outset, TAJBank has remained committed to **customer-centric services, ethical banking, and financial inclusion**, setting itself apart as a leader in the industry.

Guided by a clear vision, TAJBank aspires **"to become the leading African financial institution dominating in customer experience and innovative solutions."** This vision reflects the Bank's unwavering commitment to delivering high-quality financial services while strictly adhering to **ethical and Sharia-compliant principles**. The Bank operates on a foundation built on **Trust and Justice, Customer-Centricity, Excellence, Determination, and Innovation**—core values that define its strategic approach and customer relationships.

Despite challenges posed by the global economic landscape, TAJBank has continued to expand its footprint across Nigeria. A key aspect of its expansion strategy has been securing licenses for critical banking products, including **Letter of Credit Dealership and Foreign Exchange**, which have further strengthened its service offerings. The Bank has also focused on extending its presence in **strategic commercial hubs**, growing to **over 50 branches nationwide**, in addition to expanding its digital presence through **e-channels and agent banking services**. This rapid growth has been accompanied by a significant increase in its workforce, which now exceeds **1,500 employees**, reinforcing its dedication to promoting **financial inclusion, especially among Nigeria's unbanked population**.

TAJBank has also distinguished itself through its diverse range of **Sharia-compliant banking solutions**, designed to meet the financial needs of businesses and individuals while upholding Islamic finance principles. Some of its key offerings include **Jualah**, a project-based contract that facilitates economic activities; **Musharakah**, a partnership agreement enabling shared investment and risk; **Cash Waqf**, a structured model for charitable donations; and **Refinancing Solutions**, which provide financial flexibility while remaining ethical and compliant with Islamic finance standards.

The Bank's financial performance has been a testament to its innovative business model and strategic leadership. In **FY 2021**, TAJBank achieved a **Profit Before Tax (PBT) of ₦1.6 billion**, marking a **433% increase** over the previous year. Its **balance sheet grew from ₦50 billion in FY 2020 to ₦110 billion in FY 2021**, reflecting a **122% expansion**. The Bank's credit rating has also seen significant improvements, with **Agusto & Co. upgrading its rating to BBB+**, citing strong liquidity, capitalization, and profitability. DataPro similarly assigned TAJBank a **short-term rating of A2 and a long-term rating of BBB+ with a stable outlook**.

TAJBank has made history as the first non-interest bank in Nigeria to list a Sukuk bond on the Nigerian Exchange (NGX). The Bank achieved an impressive milestone by recording an **oversubscription of ₦11.4 billion** on its **₦10 billion Sukuk Series 1**, issued under its **₦100 billion Sukuk issuance programme**. Additionally, the Bank has earned **ISO 27001, ISO 22301, and ISO 20000 certifications**, reinforcing its commitment to **information security, business continuity, and IT service management excellence**. These achievements highlight the bank's ability to navigate an increasingly complex financial landscape while maintaining operational efficiency and profitability.

In an era where digital transformation is reshaping the financial services industry, TAJBank has embraced technology to enhance customer experience and accessibility. The introduction of **TAJWay, a bespoke digital banking platform**, has significantly improved the Bank's service delivery. With features such as **multiple transfer options, an intuitive user interface, and advanced security measures**, TAJWay has bridged the gap between traditional banking and digital finance, making non-interest banking more accessible to a broader audience.

TAJBank's **strategic leadership and performance-driven approach** have positioned it as one of the most dynamic financial institutions in Nigeria. Within just **eight months of operation**, the Bank achieved a record-high **Earnings Per Share (EPS)** and reached break-even, a milestone that typically takes several years for many financial institutions. By the end of its first full year, the Bank not only eliminated operational losses but also recorded a **profit before tax of ₦850 million**. These exceptional achievements have earned TAJBank numerous prestigious awards, including **Best Non-Interest Bank (IFN, 2020), Bank of the Year (Thinkers Magazine & Leadership**

Newspaper, 2020), Innovative Islamic Bank of the Year (AICIF, 2021), and Best Sukuk Deal of the Year (Global Islamic Finance Awards).

With a growing network of branches, pioneering digital banking solutions, and an expanding portfolio of Sharia-compliant products, TAJBank continues to strengthen its position as a dominant player in Nigeria's financial sector. By continuously evolving, leveraging technology, and adapting to the needs of its customers, the Bank remains a beacon of **ethical, inclusive, and innovative banking** in Nigeria's financial landscape. As it moves toward the future, TAJBank remains committed to achieving its vision of becoming **a leading African financial institution**, redefining the standards of non-interest banking across the continent.

The Board



Alhaji Tanko Isiaku Gwamna– Chairman, Board of Directors

Tanko Isiaku Gwamna began his career in real estate in 1987 before moving fully into the finance sector. His meritorious service to the country has seen him holding several appointments at the government level such as Honourable Commissioner of Agriculture and Honourable Commissioner, Ministry of Works and Housing, Gombe State during the Danjuma Goje administration. Tanko Isiaku Gwamna holds a First Class Degree in Economics and Masters in Banking and Finance.

He is the Chairman of Grandscope Construction Co Ltd, a successful construction company, with global exposure in business activities. Alhaji Tanko Isiaku Gwamna has been rendering humanitarian support to less privileged and distressed persons. He is, indeed, an icon to the development of medium and small enterprises in the North-east zone of Nigeria.



Hamid Joda – Managing Director/Chief Executive Officer

Hamid Joda is a seasoned banker with over 20 years' banking experience covering Treasury Business Development, Consumer/Retail Banking, Branch Banking and the Public Sector. He began his career at Niger Insurance Plc in 1999 before moving to City Express Bank Ltd, Lagos the same year where he held the position of Senior Supervisor. He also worked at Continental Trust Bank Ltd, Kano as a Senior Analyst and at the defunct Oceanic Bank International Nigeria Ltd. He was the pioneer Branch Manager of Fidelity Bank Plc, Kano from where he rose to the position of Area Manager in charge of the Northeast.

His extensive experience led him to First Inland Bank (Finbank Plc) Abuja as Group Head Retail Banking (North) where he later rose to become the Divisional Head, Retail Banking of the Bank. Hamid Joda was the Divisional Head, Public Sector, First City Monument Bank (FCMB) Ltd. He holds a BSc in Business Administration (Banking & Finance) from the University of Maiduguri and an

MBA from Bayero University, Kano. He is also a member the Chartered Institute of Bankers of Nigeria, (CIBN).

Mr. Joda is the Founder and Managing Director/Chief Executive Officer of TAJBank Limited. He led the team to realize the vision of setting-up the second non-interest Bank in Nigeria.



Mr. Sherif Idi - Executive Director/Executive Compliance Officer

Sherif Idi has over 20-year career offers prolific experience in Operations, Branch Management, Business Development and Public Sector Businesses. He started his career at Inland Bank Nig. Plc, Abuja in 1999 as a Supervisor, where he worked in various units of the Bank.

After the merger of Inland Bank and First Atlantic in 2004, which became First Inland Bank (and subsequently FinBank Plc), he became Senior Operations Officer and was later saddled with the responsibility of Branch Manager. He was a Group Head in the Public Sector Division at First City Monument Bank Ltd before embarking on the journey to set up TA/Bank.

He is the Co-Founder and Executive Director of TAJBank Limited.



Alhaji Tata S. Omar (Independent Non-Executive Director)

Alhaji Tata Omar started his banking career in 1991 at the Nigerian Agricultural & Cooperative Bank (NACB) as an Assistant Manager. He later joined the defunct Inland Bank Ltd in 1996 as a Deputy Manager.

He rose through the ranks to become Principal Manager overseeing the Apapa region and later Zonal Director, Lagos.

Following the merger between Inland and First Atlantic Banks to create the defunct Finbank Plc, Alhaji Omar was appointed Zonal Executive in charge of Bauchi region which spans the Bank's operations in the Northeastern region of Nigeria.

Alhaji Omar earned an M.Sc. in Fisheries and a Post Graduate Diploma in Management from the Usman Dan Fodio University, Sokoto. He also holds an MBA from the Usman Dan Fodio University, Sokoto and a Senior Management Programme Certificate from the prestigious Lagos Business School.

He has attended numerous courses in Nigeria and abroad across different spheres including Credit Analysis, International and Foreign Trade, Bank Lending and Credit Management etc. He is an honorary senior member of the Chartered Institute of Bankers of Nigeria (CIBN).



Mr. Adekunle J. Awe (Independent Non-Executive Director)

Adekunle James Awe's 21 years' expertise in the financial sector spans Internal Control, Internal Audit, Banking Operations, Business Process Review and Compliance.

He was the Head of Compliance at the First City Monument Bank Ltd (FCMB). Prior to joining FCMB, He was the Divisional Head, Internal Control and Ag. Chief Compliance Officer of Finbank Plc. He has also previously worked at First Atlantic Bank Plc. as the Divisional Head, Internal Control.

Adekunle has a Masters in Business Administration with specialization in Human Capital Management from the Lagos State University and a HND in Accountancy from the Lagos State Polytechnic.

He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate Member Institute of Management and a Certified Fraud Manager.



Hajiya Mariam Ibrahim – (Non-Executive Director)

Mariam Ibrahim's almost twenty (20) years career spans financial advisory, equity/debt capital raising and fund & portfolio management. Her financial career commenced at FSB Bank Plc where she worked as an Operations Officer. She has also worked at BGL Securities Ltd as a Senior Investment Executive before leaving to set up Inverness Wealth Management Ltd, a Securities &

Exchange Commission (SEC) licensed investment Company. The firm has grown its asset portfolio of financial and physical assets to over N10 billion.

Mariam currently serves on the boards of Prosperous Holdings Nigeria Ltd and Noor Takaful Plc. She holds a degree in Business Administration from the Ahmadu Bello University, Zaria, a Post Graduate Diploma in Islamic Banking at the Islamic Banking and Insurance Institute London and an MBA from the Edinburgh Business School, Heriot Watt University Edinburgh, Scotland. Mariam Ibrahim also has a certificate in Disruptive Strategy from the prestigious Harvard Business School.



Alhaji Ahmed A. Joda (Non-Executive Director)

Ahmed A. Joda has over 25 years' experience in the banking and oil and gas sectors. He started his banking career in 1992 with the defunct Centre Point Merchant Bank Ltd from where he moved to Fidelity Bank Ltd. His career in the oil and gas industry ranged from HR to Shipping to Production to Commercial and Project functions. He has also had international experience working for Shell in Russia.

He holds a degree in Business Administration from the Ahmadu Bello University, Zaria and a B.Sc in Applied Accounting from Oxford Brookes University, United Kingdom. He is also a Fellow of the Association of Certified Chartered Accountants of the UK (FCCA), member of Financial Reporting Council and a member of the Institute of Chartered Accountants of Nigeria (ICAN).



Barrister Habib Alkali - (Non - Executive Director)

Habib Alkali is a Nigerian and UK trained lawyer with expertise in Litigation/Arbitration, International Trade/Maritime and Banking/Insurance services. He has vast experience in structuring legal agreements relating to commercial transactions and litigation. He is a prolific

writer and has authored several legal advisory opinions on transacting business in Nigeria, financial crisis management, financial services as well as dispute resolution reforms.

Barrister Habib sits on the board of several companies including Prime Switch Technologies Limited, Nairacheque Insurance Brokers Limited and Zindabad Nigeria Limited and acts as Company Secretary to various organizations.

Habib holds an LLB, BL and LLM in International and Commercial Law (World Trade Specialist) from the University of Buckingham, United Kingdom. He is a member of numerous professional associations including the Nigerian Bar Association (NBA) and the Chartered Institute of Arbitrators, United Kingdom.



Mr. Kogis Jonathan Luka – (Non – Executive Director)

Kogis Jonathan Luka is a seasoned financial markets expert with over two decade's professional experience particularly in the Capital Market. He is a fellow of several professional institutions, such as the Chartered Institute of Stockbrokers (CIS) and an Associate of other professional bodies including the Certified Pensions Institute of Nigeria (CPIN), the Institute of Capital Market Registrars (ICMR) and the Institute of Chartered Economists of Nigeria (ICEN).

He is a graduate of the Ahmadu Bello University, Zaria where he obtained a Bachelor's Degree in Public Administration in 1989. He also holds a Masters in Business Administration (MBA) from the Nasarawa State University, Keffi.

He has participated in various courses in diverse aspects of investment management, organizational change and accounting in Nigeria, South Africa and the United Kingdom. He has presented many papers on various aspects of investment banking and the Capital Market.

Mr. Kogis, along with various teams, has provided visionary leadership in designing and implementing operational structures and systems that have exceeded set objectives, especially in restructuring & the critical start-up stages. He was involved in the setting up of Tower Assets Management Ltd (a stockbroking firm), First Alliance Pensions and Benefits Limited, where he served as the Chairman, Audit/Risk Management Committee.



Mr. Charles I. Ebiengang (Non – Executive Director)

Mr. Ebiengang has had a stellar career in the financial services Industry. He was a Treasurer at Aso Savings & Loan Plc, Abuja, Nigeria and currently provides prudential risk advisory services, Audit and Regulatory reporting to banks and other financial institutions within the United Kingdom.

Mr. Ebiengang has helped some United Kingdom banks and other investment firms assess the adequacy or otherwise of their financial resources and comply with regulatory requirements. He has at various times provided his expertise to some Tier 1 banks in the United Kingdom including HSBC London, J.P Morgan Chase Bank, London, Sumitomo Mitsui Banking Corporation Europe (SMBCE), Santander Bank, Standard Chartered Bank, Royal Bank of Scotland, Edinburgh, and Co-operative Banking Group, Manchester.

As the CEO of Samach Services Limited, London, UK, Mr. Ebiengang has been responsible for providing Banks and investment firms with Financial advisory services. Mr. Ebiengang is a Certified Information Systems Auditor (CISA) and a member of the Institute of Capital Market Registrars (ICMR), Nigeria. He holds a Master of Science degree in Economics (Finance & Investment Management) from University of Aberdeen, Scotland, UK; Masters in Treasury Management from Bayero University, Kano, Masters in Business Administration (MBA- Finance) from the University of Ado-Ekiti (now Ekiti State University), Bachelor of Science degree in Economics and a Diploma in Computer Science Programming both from University of Calabar, Cross River State.



Hajiya Hafsat Lawal Garba – (Non – Executive Director)

Hafsat Lawal Garba is a UK-trained Economist with years of experience spanning the public and private sectors. She is an experienced C-Level Executive with prolific experience in Business Development, Finance, and Investment.

Hafsat was an Export Credit Officer and a Research Analyst at the Business Strategy Department of the Nigerian Export-Import Bank. She is the Co-founder and Chief Executive officer of Tenerif Global Trade. She currently serves as a Director on the Boards of Trobel International Nigeria Limited, Monkey Town Bistro Limited, and Sure Health Laboratory & Diagnostics Limited.

Hafsatu holds a Bachelor's degree in Economics from the City University, London, and a Master's Degree in Luxury Brand Management from Regents University, London.



Dr. Nura Manu Soro – (Non – Executive Director)

Dr. Nura Manu Soro is a successful businessman and multi-tiered consultant whose services are well sought after far and wide with record history of success both public and private sectors of the Nigerian economy. A scion of the well-known Alhaji Manu Soro dynasty of entrepreneurs from Bauchi State with vast interests in Real Estate, Oil & Gas, Logistics and Supply. He was a former Commissioner of Finance in Bauchi State.

He graduated with a Bachelor of Science [Honors] degree in International and Comparative Politics in 2009 from American University of Nigeria [AUN], Yola Adamawa State. He obtained Master of Science degree in Globalization and Governance by 2011 from Birmingham University, UK.

His growing academic laurels 2 more Masters of Science degrees in quick succession from both the famous Ahmadu Bello University Zaria and Nigerian Defence Academy in Business Administration and Leadership Studies between 2016 and 2017 respectively.

He has also attended some internationally sought after graduate programs from well renown Oxford University, Saint Anthony College UK, and Columbia University New York on Politics, Leadership and Personal Success. He is presently a PhD. holder of Political Economy from the Nigerian - Turkish Nile University in Abuja.



Dr. Jameel Muhammad Sadis – (Non – Executive Director)

Dr. Jameel Muhammad Sadis began his career with Islamic University of Madinah where he worked as Non-Academic and Academic Staff of the University for almost 15 years. He also worked as a Supervisor with Islamic Development Bank, Kingdom of Saudi Arabia. He proceeded to Madinah High Court as a Translator and later to Ministry of Religious Affairs and Endowment Kingdom of Saudi Arabia, Al-Dowayyan Real Estate Group as Office Manager and further served as Head of Computer Department, National Hajj Commission of Nigeria.

He is currently the Deputy Director, Financial Operations at the American University of Nigeria (AUN), Adamawa State.

Dr. Jameel holds a PhD in Qur’anic Science from the Islamic University of Madinah, Saudi Arabia, a PGD in International Studies & Management from SOAS University of London, and MSc Islamic Finance and Management, Durham University, United Kingdom.

ADVISORY COMMITTEE OF EXPERT**Assoc. Prof. Dr. Ziyaad Mahomed Chairman, ACE**

Dr Ziyaad is Associate Professor, Lead Researcher (Shariah) for the Centre of Excellence in Social Finance, and Head of Online Programs at INCEIF University. He is the former Associate Dean and Director of Executive Education and of E-learning at the same university. Dr Ziyaad has advised financial institutions and regulators in Islamic finance, regulation, social finance, fintech and sustainability for almost 25 years. His work spans over 20 countries, with more than 12,000 participants attending his training programs on various aspects of Islamic finance.

Dr Ziyaad has led numerous consulting projects on policy and strategy for large financial institutions and governmental organisations including the UK, Malaysia, Kazakhstan and Pakistan in Islamic banking and takaful, sustainability, sukuk, fintech and social finance advancement. His advisory in the capital market has led to the certification of some of the largest sovereign and corporate Sukuk issuances in Malaysia and Nigeria. He is also a consultant to the World Bank for sustainable development of Islamic finance in South-East Asia and Adjunct Professor at the Asia School of Business in collaboration with MIT in the US. He served as lead consultant on several sustainability projects for financial institutions in Malaysia, providing social impact and ESG assessments and strategies for value-based intermediation, fintech and social finance.

Dr Ziyaad serves as Chairman and/or member of several Shariah boards internationally, including HSBC Amanah and Munich Re in Malaysia, TAJBank, FBN Quest and One17 Capital in Nigeria, Ayady Takaful and BML Islamic in the Maldives and iConsult Africa in South Africa, EduPro in the UK and IMAN in Uzbekistan amongst several others. He holds a Masters and PhD in Islamic Finance from Malaysia, an MBA from South Africa, a BA (Hons) in Business (Finance) from the UK, and certification in the Islamic sciences from South Africa and Jordan. He lectures in Islamic Jurisprudence, Law of Contract, Sustainability and Social Finance, with almost 100 publications in academic and professional output.

**Dr. Muhammad Tabi'u SAN, Member, ACE**

Dr. Muhammed Tabi'u, Senior Advocate of Nigeria (SAN), is a Law Professor at Department of Islamic Law, the Faculty of Law Bayero University Kano. He has been Expert Adviser to various Justice-related Programs including Justice Sector Reform, application of Islamic law in the context of modern society, and Peace Building in the North-East of Nigeria affected by conflict. He is also

currently Co-Chairman of the Federal Justice Sector Reform Program under the Nigerian Federal Ministry of Justice.

He was 2013 Kraemer Middle-East Distinguished Scholar-in-Residence, Williams and Mary University, Williamsburg, USA. Some of the other positions he held in the past include Head of Department of Islamic Law and Dean of the Faculty of Law at Usman Danfodiyo University, Sokoto; Attorney General and Commissioner of Justice of Jigawa State; Executive Secretary of the National Human Rights Commission of Nigeria (NHRC); and Adjunct Professor, Faculty of Law, University of Ilorin.



Assoc. Prof. Dr. Sa'id Adekunle Mikail, PhD,CSAA,ACI Arb Member, ACE

Dr Mikail is currently Associate Professor cum Senior Researcher at ISRA Research Management Centre of INCEIF University. He is an AAOIFI Certified Shariah Advisor and Auditor (CSAA) and a Registered Shariah Adviser with Securities Commission of Malaysia (SC), a Member of Chartered Institute of Arbitrators (ACI Arb) UK and Member of AAOIFI Working Group of the Curriculum Review Committee (CRC). He is Shariah Board Member of Islamic Development Bank (IsDB) in Jeddah, Saudi Arabia, and Islamic Financial Services Board (IFSB) in Malaysia.

Dr Mikail is Chairman in several Shariah Boards including among others BNP Paribas(Najmah) Malaysia Berhad & BNP Paribas Labuan, Crown Takaful Insurance Ltd, Capital Trust and D'Namaz Capital in Nigeria. He also sits as Shariah Committee Member of TAJBank Ltd, PruBSN Takaful Malaysia Berhad, i-Consult Africa in South Africa, Masryef Management House in Malaysia, and Marble Capital Halal Commodity in Nigeria.

His notable engagements include Expert Witness in the Kuala Lumpur High Court (Muamalat Court – Commercial Division) in Malaysia, BNM-ISRA-RMC on compounding profit in restructuring and rescheduling (R&R), Shariah Non-Compliance Rectification, Tawarruq Application, PIDM-ISRA-RMC Shariah Analysis on Resolution of Islamic Banks, Lafarge Cement Global Wakalah Sukuk by BNP Paribas and Standard Chartered, Musharakah Ta'awuniyah Takaful Model for Hong Leong MSIG Takaful (HLMT), UNHCR-ISRA Zakat Report, Sukuk Module for Brunei Institute of Leadership & Islamic Finance (BILIF) and Shariah Audit Review on Al Rajhi Bank in Malaysia.

Dr Mikail obtained his bachelor's degree of Shariah (first class honour) from Islamic University of Madinah in Saudi Arabia, followed by Master of Comparative Laws and PhD (Law) from International Islamic University Malaysia (IIUM).

His areas of specialisation include Islamic finance, Islamic social finance, comparative laws, and Islamic private equity & venture capital. His publications focus on Shariah issues in Islamic finance, Islamic legal theory, Islamic private equity & venture capital, Islamic entrepreneurship,

comparative law, Halal, Zakat, Waqf and Islamic social finance. He has also published in several Scopus indexed journals, referee journals, magazines, and book chapters. He has conducted trainings on Shariah governance, Shariah noncompliance risks, Takaful products and services, as well as Islamic wealth management, Sukuk, Shariah risk profiling and legal and regulatory framework for Islamic finance. He has presented many papers in both international and national seminars and conferences on Islamic finance and contemporary Shariah issues.

CHAIRMAN'S STATEMENT

Esteemed Shareholders, Ladies, and Gentlemen,

It is with great pleasure that I welcome you to the 2025 Annual General Meeting of TAJBank Ltd and present to you the Financial Statements and Annual Report for the fiscal year ended December 31, 2024.

OUTLOOK

The Nigerian economy appears to be delicately poised in 2025. Having initiated significant economic reforms in 2024 aimed at addressing long-standing structural challenges and revitalizing the economy, as the key policy reforms included the removal of petrol subsidies and the liberalization of the foreign exchange market, have left the embattled average Nigerian with a growing concern of inflationary pressures. Persistent naira weakness and elevated price levels, particularly for food and fuel, continue to erode real incomes, exacerbating the already severe cost-of-living crisis. The significant depreciation of the naira in 2024 by 41.4%, has also relegated Nigeria to fourth place on the list of African countries by economic size, with a GDP of \$199.72 billion, trailing South Africa (\$403.5 billion), Egypt (\$380.04 billion) and Algeria (\$260.13 billion).

We are of the opinion that Nigeria's near-term economic outlook hinges significantly on the ability to ramp up crude oil production to meet its OPEC+ quota of 1.5 million barrels per day (mbpd). Attaining this target is essential for boosting government revenue, alleviating fiscal pressures and fostering exchange rate stability. However, achieving and potentially surpassing this threshold will require sustained efforts to consolidate the progress made in 2024, when crude oil production increased by 8% to an average of 1.42 mbpd, largely due to improved security measures and a reduction in crude oil theft and vandalism. It is expected that this positive trend will continue in 2025, projecting a potential increase to an average of 1.48 mbpd under a best-case scenario. Nevertheless, this remains 28.2% below the overly optimistic 2.06 mbpd production assumption in Nigeria's 2025 expenditure framework.

Looking ahead to 2025, it is expected that the year will offer a mix of challenges and opportunities. Nigeria's economy is poised to grow at its fastest pace since 2014, with GDP growth expected to reach 3.7% on the back of healthy performances in oil & gas and manufacturing. Inflation is projected to moderate, as the underlying goal of the Nigerian reform is to create a more diversified, resilient economy in the future to withstand global economic shocks. A gradual reduction in interest rates is considered probable, contingent upon sustained deceleration in inflation and a marked improvement in exchange rate stability.

FINANCIAL RESULTS

Notwithstanding the economic difficulties in the country, the Bank was able to take advantage of the chances provided by the business environment to produce a performance that further demonstrates our brand's resilience. I am pleased to report that once again, our Bank's gross income grew at an incredible rate, achieving impressive gross earnings growth from N42.9 billion in the prior year to N77.5 billion in 2024. Consequently, the Board will pay an additional cash dividend of 5k (five Kobo) for every 1 (one) share to its shareholders.

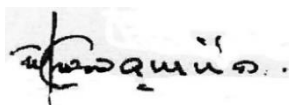
BOARD EFFECTIVENESS

The Board and its Committees expanded their oversight responsibilities during the reviewed year by examining the Bank's policies and strategies. The Board's Committees review in depth, all items under their respective scope at least once per quarter to ascertain the operations of the Bank and comprehend all challenges.

APPRECIATION

I want to express my sincere gratitude to our esteemed shareholders, valued customers and the Government across various countries and states for their unwavering support, continued patronage, and steadfast commitment throughout the year which has allowed the Bank to rank among Nigeria's leading non-interest financial institutions. I also want to extend my gratitude to my fellow Board Members, Management, and our dear employees for their tireless efforts and dedication to building a simpler, more intelligent Bank.

Thank you.



Alhaji Tanko Isiaku Gwamna
Chairman

MANAGING DIRECTOR/CEO'S REPORT

Dear Esteemed Shareholders,

I am delighted to present TAJBank's 2024 Annual Report, which highlights our performance in the Bank's fifth year of operation as a Non-Interest Bank.

We delivered on our key strategic goals through our relentless execution, backed by a positive culture and delivery on our transformation projects, across business and functions. We accelerated the growth momentum across various businesses of the Bank, accomplished several all-time highs, gained market share in our focus segments, and improved the key operating metrics.

Economic and Market Overview:

The year 2024 was a challenging one. The Global GDP exhibited a mixed picture; while some economies recorded moderate expansion, others experienced sluggish recovery. Growth rates in advanced economies were buoyed by expansionary fiscal measures and improved consumer spending. Emerging markets displayed varying degrees of economic resilience with some nations capitalising on export-led growth, however, most currencies faced acute vulnerabilities, as the economies grappled with external imbalances and capital outflows. Inflationary pressures remained a key concern across various markets fuelled by rising commodity prices, supply chain disruptions, and pent-up demand, prompting Central Banks to constantly reassess their monetary policy stance.

On the homefront, Nigeria's economy navigated a mix of opportunities and challenges shaped by fluctuating oil prices, depreciating naira, and rising fiscal deficits. The Bold policy made, such as full subsidy removal and foreign exchange market reforms, aimed to stabilize the economy by improving the government's fiscal position and enabling more foreign capital inflows but introduced significant social and political trade-offs. Escalating inflation, driven by surging food and energy prices, placed a heavy burden on households and businesses, underscoring the urgency for robust social protection measures. Nigeria's GDP grew by 3.46% in 2024, driven primarily by growth in the services sector and a marked increase in the trade balance.

Although this news may not be the most favourable, we remain undeterred and trust our capacity to face future challenges that may arise. customerste determination to achieve our strategic objectives, combined with our commitment to providing exceptional service to our customers, will ensure that we promptly adapt to changes in macroeconomic conditions and deliver value to all stakeholders.

Financial Performance:

TAJBank, once again, delivered an outstanding performance; our total assets reached a record high of N953.10 billion, up by 84% from 2023 which stood at N518.3 billion, demonstrating our ability to deliver sustainable growth and create value for our stakeholders. The growth in total assets was driven by strong deposit growth and enhanced lending activities.

Customer deposits grew by 89% year-on-year from N369.3 billion to N696.4 billion at the end of the year while Risk Assets grew by 88% to N272.1 billion at the end of 2024 from N144.8 billion in 2023, demonstrating customers confidence in us and our ability to manage and mitigate risks effectively while continuing to support sustainable growth.

Gross earnings grew significantly by 80% to N77.5 billion in 2024 from N43.2 billion for prior year. This was driven by a 82.5% growth in financing and investing income to N75.05 billion from N41.1 billion, and a 22.4% growth in non-financing and investing income to N2.5 billion in 2024 from N2.0 billion in 2023. Net income grew by 79.1% to N49.4 billion in 2024 from N27.6billion, in the prior year.

Gross expenses grew from 86% year-on-year to N59.4 billion from N31.8 billion, due to increased personnel costs, cost of doing business, technology related costs and general inflationary pressures.

Profit before tax (PBT) grew by 61% year-on-year to N18.2 billion from N11.3 billion, reflecting the positive impact of our strategies around effective business generation.

Risk Management and Governance

TAJBank's approach to risk management remained robust throughout the year. We continued to strengthen our risk framework, ensuring that the Bank's operations are aligned with best practices and regulatory requirements. In particular, we focused on:

- Enhancing cybersecurity protocols to safeguard our digital platforms.
- Strengthening credit risk management to ensure prudent lending practices.
- Continuous review of our operational risk processes to ensure efficiency and effectiveness.

2025 Outlook

The year 2025 will be pivotal for the Nigerian economy, experiencing a mix of challenges and strides as it navigates through global and domestic pressures. The Central Bank of Nigeria's monetary tightening stance, as well as the government's flagship policy reforms, are expected to begin to bear dividends in reducing inflation and stabilizing the macroeconomy. Key sectors such as agriculture and manufacturing need boosts, while oil production must be ramped up to

consolidate foreign exchange market reforms to enhance economic resilience and sustainable growth.

Although the IMF forecasts Sub-Saharan African growth at 3.5% for 2025, the Central Bank projected that the Nigerian economy would grow by 4.1 per cent in 2025, as well as record decline in inflation, with continued increase in foreign exchange inflow into the country.

Dear Shareholders, notwithstanding the uncertainties and moderate economic growth forecasts, we approach 2025 with great optimism, knowing that it is under these conditions that good organizations that are blessed with exceptional people succeed.

Our success in 2024 and through the years is down to the hard work of our talented and exceptional staff. Together, as a team, we have made great progress in positioning our institution for long term growth. Looking at the progress we have made in such a short time, I am fully convinced that we will not only lead the future of Non-Interest Banking, but also the future of Financial Services in Nigeria.

Thank you for your continued support.



Hamid Joda
Managing Director/CEO

CORPORATE GOVERNANCE REPORT

The Board of the Bank is dedicated to upholding robust Corporate Governance principles and adhering to international best practices. Their commitment is reflected in their compliance with the Core Values of the Bank: Quality Customer Service, Team Spirit, Respect for Individual, Ethics, Trust, Partnership, and Entrepreneurship. They ensure compliance with the revised Nigerian Code of Corporate Governance, 2018, and the Central Bank of Nigeria Code of Corporate Governance.

To maintain a high governance standard, the Bank conducts an Annual Board Evaluation Exercise and Appraisal through an independent consultant, Messrs. Bamokosi Integrated Services Ltd. This evaluation assesses the Board's responsibilities, processes, relationships, structure, and composition.

Board Structure

The Board is composed of thirteen (13) Members with eleven Non-Executive Directors (NEDs) and two Executive Directors. The Board is led by a Chairman and consists of experienced professionals who bring a wealth of knowledge, integrity, and expertise to their deliberations and decisions. Two of the Non-Executive Directors are Independent Directors appointed based on criteria laid down by the Central Bank of Nigeria's Guideline on Independent Directors of Banks in Nigeria.

The position of the Managing Director/CEO and Chairman are held by separate persons, and their roles are clearly defined. The Board Members of the Bank are listed in the table below:

S/N	NAMES	DESIGNATION
1	Alhaji Tanko Isiaku Gwamna	Chairman
2	Alhaji Tata Shekarau Omar	Independent Non-Executive Director
3	Mr. Adekunle James Awe	Independent Non-Executive Director
4	Hajiya Mariam Ibrahim	Non-Executive Director
5	Mr. Ahmed. A. Joda	Non-Executive Director
6	Barr. Habib Alkali	Non-Executive Director
7	Mr. Kogis Jonathan Luka	Non-Executive Director
8	Mr. Charles Iyakndue Ebienang	Non-Executive Director
9	Mrs. Hafsatu Lawal Garba	Non-Executive Director
10	Dr. Jameel Muhammad Sadis	Non-Executive Director
11	Dr. Nura Manu Soro	Non-Executive Director
12	Mr. Hamid A. Joda	Managing Director/CEO
13	Mr. Sherif A. Idi	Executive Director/ECO

Board Responsibilities

The Board of the Bank plays a crucial role in guiding and directing Management by setting strategic objectives and policies and ensuring their effective implementation. The Board has delegated the day-to-day operational responsibilities to the Managing Director/CEO, allowing the CEO to manage the Bank's operations within the framework established by the Board. Certain

significant matters, however, are reserved for the Board's approval to ensure proper oversight and governance. These matters typically include:

- Defining the Bank's strategic plans and objectives
- Ensuring integrity of financial reports
- Approval of major changes to the Bank's accounting policies
- Appointment and removal of Directors and the Company Secretary
- Approval of Charter and membership of Board Committees
- Establishing effective internal control systems
- Instilling a culture of compliance with rules and regulations
- Ensuring adherence to regulatory requirements and approving major compliance-related policies and procedures.
- Reviewing and approving corporate governance practices to ensure they meet legal and ethical standards.
- Deciding on dividend declarations and distributions to Shareholders.
- Formulating risk policies
- Approval of quarterly, half yearly and full year financial statements
- Ensuring planned Management succession
- Effective communication with Shareholders
- Performance appraisal and compensation of Board Members and Senior Executives

Directors' appointment process, induction and training

The Board Governance, Remuneration, and Nomination Committee plays a role in overseeing the process of Board appointments. This Committee is responsible for identifying and recommending qualified candidates for Board positions, ensuring that the candidates possess the necessary knowledge, skills, experience, and attributes required for their roles.

The appointment of Directors is subject to approval of both the Shareholders and the Central Bank of Nigeria. Upon appointment, new Directors participate in a comprehensive induction program organized by the Bank. This program includes:

- **Induction Pack:** A detailed package containing the Board's Charter, the Bank's Memorandum and Articles of Association, key legislations and policies, and a calendar of Board activities.
- **Specialized Training:** Sessions focused on Non-Interest Finance, Cyber Security, Financial Reporting Standard and Anti-Money Laundering to ensure Directors are well-versed in these critical areas.

To maintain effective oversight functions and other related functions, the Board ensures that its members engage in continuous professional development. Directors are required to participate in periodic training programs to stay updated on industry developments, enhance their skills, and remain informed about changes in the operating environment. This ongoing education helps Directors perform their duties effectively and uphold the Bank's governance standards.

Tenure of Directors

To ensure both continuity and injection of fresh ideas, the tenure for Non-Executive Directors is limited to a maximum of three (3) terms of four (4) years each, while the maximum tenure for Independent Non-Executive Directors shall not exceed two (2) terms of four (4) years each and the tenure of Executive Directors is limited to a maximum period of twelve (12) years.

Board Meetings

The Board meets quarterly, and additional meetings may be convened as the need arises. The Board has the authority to delegate matters to Board Committees and the Executive Management.

Attendance of Meetings

In its bid to continuously improve its corporate governance processes, as well as enhance attendance of Board and Committee meetings by members, the Company Secretariat prepared an annual calendar of meetings which is subsequently reviewed and adopted by the Board prior to the commencement of a new financial year.

The record of Attendance at Board Meeting in 2024 are set out below:

S/N	NAME	28/02/2024	25/04/2024	30/07/2024	01/1/2024
1	Tanko Isiaku Gwamna	√	√	√	√
2	Hamid Joda	√	√	√	√
3	Sherif Idi	√	√	√	√
4	Mariam Ibrahim	√	√	√	√
5	Charles I. Ebienang	√	√	√	√
6	Adekunle James Awe	√	√	√	√
7	Ahmed A. Joda	√	√	√	√
8	Tata Shekarau Omar	√	√	√	√
9	Habib Alkali	×	√	√	√
10	Kogis Jonathan Luka	√	√	√	√
11	Jameel Muhammad Sadis	√	√	√	√
12	Nura Manu Soro	√	√	√	√
13	Hafsatu Lawal Garba	√	√	√	√

√ present
× Absent

Board Committees

The Board established various Committees with well-defined Terms of Reference defining their scope of responsibilities. The Committees meet quarterly but may hold additional meetings as the need arises. The Board has four standing Committees as follows:

- i. Board Governance, Remuneration and Nomination Committee;
- ii. Board Risk Management Committee;
- iii. Board Finance & General-Purpose Committee; and
- iv. Board Audit Committee.

Board Governance, Remunerations & Nominations Committee Membership

- i. Alhaji Tata Shekarau Omar (Chairman)
- ii. Mr. Adekunle James Awe and
- iii. Dr. Jameel Muhammad Sadis

The Committee's major responsibilities include:

- Matters relating to Board's remunerations and appointment.
- Recommending any proposed change(s) to the Board.
- Keeping under review the need for appointments.
- Preparing a description of the specific experience and abilities needed for each Board appointment, considering candidates for appointment as either Executive or Non-Executive Directors and recommending such appointments to the Board.
- Advising the Board on succession planning regarding the roles of the Chairman, Managing Director and Executive Directors.
- Advising the Board on the contents of the Directors Annual Remuneration Report to Shareholders.
- Revising personnel policies for Board approval, reviewing job descriptions, establishing or periodically reviewing of the staff salary structure and staff benefit package.

The record of Attendance at the Board Governance, Remuneration and Nomination Committee in 2024 are as set out below:

S/N	NAME	08/02/2024	08/04/2024	10/07/2024	23/10/2024
1	Tata Shekarau Omar	√	√	√	√
2	Adekunle James Awe	√	√	√	√
3	Jameel Muhammad Sadis	√	√	√	√
4	Prof. Muhammad Tabiu (SAN)	√	√	√	NA

√ present

× Absent
NA Not yet a member/No longer a member

Board Risk Management Committee Membership

- i. Mr. Charles Iyakndue Ebienang (Chairman)
- ii. Mr. Kogis Jonathan Luka
- iii. Barr. Habib Alkali
- iv. Mrs. Hafsat Lawal Garba
- v. Mr. Sherif A. Idi (Executive Director)
- vi. Mr. Hamid A. Joda (Managing Director)

The Committee's major responsibilities include:

- Overseeing the overall Risk Management of the Bank
- Reviewing periodically, Risk Management objectives and Policies for consideration of the full Board
- Approving the Risk Rating Agencies, Credit Bureau and other related services providers to be engaged by the Bank
- Approving the Internal Risk Rating Mechanism
- Reviewing the risk compliance reports for regulatory authorities
- Reviewing and approving exceptions to the Bank's Risk policies
- Reviewing policy violations on Risk issues at Senior Management level
- Certifying Risk reports for investments, operations, market/liquidity subject to limits set by the Board
- Consider the appointment, resignation or dismissal of the Bank's Chief Risk Officer
- Evaluating and approving all investments within its powers delegated by the Board
- Evaluating and recommending all investments beyond its powers to the Board
- Reviewing investments portfolio in line with set objectives
- Reviewing classification of investments of the Bank based on prudential guidelines on quarterly basis.
- Approving the restructuring and rescheduling of investments within its powers
- Writing-off and grant of waivers within powers delegated by the Board
- Periodic review of Investment Manuals and Guidelines

The record of Attendance at the Board Risk Management Committee in 2024 are as set out below:

S/N	NAME	07/02/2024	17/04/2024	16/07/2024	14/10/2024
1	Charles I. Ebienang	√	√	√	√
2	Kogis Jonathan Luka	√	√	√	√
3	Habib Alkali	√	√	√	√
4	Hafsat Lawal Garba	√	×	√	√
5	Hamid Joda	√	√	×	√
6	Sherif Idi	√	√	×	√

√ present

× Absent
NA Not yet a member/No longer a member

Board Finance & General-Purpose Committee Membership

- i. Hajiya Mariam Ibrahim (Chairperson)
- ii. Mr. Kogis Jonathan Luka
- iii. Mr. Charles Iyakndue Ebienang
- iv. Mr. Ahmed A. Joda
- v. Barr. Habib Alkali
- vi. Mr. Sherif A. Idi (Executive Director)
- vii. Hamid A. Joda (Managing Director)

The Committee's major responsibilities are to:

- Consider and advise the Board of Directors on all aspects of the Bank's finances.
- Consider and make recommendations to the Bank on the annual estimates of income and expenditure, other budgets and the financial forecasts for the Bank.
- Consider and make recommendations to the Board of Directors for its approval, the framework for expenditure on capital items and to review the list of priorities within the framework.
- Consider, review and report on the periodic management accounts of the Bank, and to also advise the Board of Directors on the year-end accounts.
- Consider and make representations to the Board of Directors on the solvency of the Bank and the safeguarding of its assets.
- Consider and advise the Board of Directors on any relevant taxation issues.

The record of Attendance at the Board Finance and General-Purpose Committee in 2024 are as set out below:

S/N	NAME	13/02/2024	16/04/2024	11/07/2024	22/10/2024
1	Mariam Ibrahim	√	√	√	√
2	Ahmed Joda	√	√	√	√
3	Kogis Jonathan Luka	√	√	√	√
4	Habib Alkali	√	√	√	√
5	Charles Ebienang	√	√	√	√
6	Hamid Joda	√	√	√	√
7	Sherif Idi	√	√	√	√

√ present
× Absent
NA Not yet a member/No longer a member

Board Audit Committee

Membership

- i. Mr. Adekunle James Awe (Chairman)
- ii. Hajiya Mariam Ibrahim
- iii. Mr. Ahmed A. Joda
- iv. Barr. Habib Alkali
- v. Dr. Nura Manu Soro
- vi. Mrs. Hafsat Lawal Garba
- vii. Dr. Jameel Muhammad Sadis

The Committee's major responsibilities include:

- To develop and keep under review the Bank's accounting policies to ensure that they are in consonance with the applicable Accounting Standards
- To review the effectiveness of the Bank's system of accounting, reporting, and internal control and ensure compliance with legal and ethical requirements of the Bank
- To review the integrity of the Bank's financial reporting and the independence of the external auditors
- To review the appropriateness and completeness of the Bank's statutory accounts and other published financial statements
- To consider, review and report on the periodic management accounts of the Bank; and advise the Board of Directors on the year-end accounts
- To ensure that the Bank complies with all relevant internal policies and procedures as well as regulations governing the Bank
- To review the summaries of the whistleblowing cases reported and the result of the investigation from the Head of Internal Audit
- To review internal audit reports and assess the adequacy of the internal controls.
- To review the Compliance Reports for each quarter
- To ensure full and prompt implementation of recommendations of Internal Auditors, Examiners and External Auditors

The record of Attendance at the Board Audit Committee in 2024 are as set out below:

S/N	NAME	15/02/2024	14/03/2024	04/04/2024	4/07/2024	29/08/2024	17/10/24
1	Adekunle J. Awe	√	√√	√	√	√√	√
2	Mariam Ibrahim	√	√√	√	√	√√	√
3	Habib Alkali	√	√√	NA	NA	√√	√

4	Nura M. Soro	√	√√	×	√	×	×
5	Hafsatu L. Garba	√	√√	√	√	√√	√
6	Ahmed Joda	√	√√	√	√	√√	√
7	Jameel M. Sadis	NA	NA	×	√	√√	√

√ present

× Absent

√√ Presentation of Audited Financial Statement (AFS)

NA Not yet a member/No longer a member

In line with the provisions of the Companies and Allied Matters Act, 2020, a Statutory Audit Committee is established with members consisting of the Shareholders' representatives and the Board as follows:

- i. Dr. Abdulkadeer Babangida Njiddah, Ph.D., FCA (Chairman)
- ii. Hajiya Hafsatu Magaji Inuwa (Member)
- iii. Alhaji Tata Shekarau Omar (Independent Non- Executive Director)
- iv. Mr. Adekunle James Awe (Independent Non-Executive Director)
- v. Dr. Nura Manu Soro (Non-Executive Director)

The Committee is saddled with the following responsibilities amongst others:

- To ascertain whether the accounting and reporting policies of the Bank are in accordance with legal requirements and agreed ethical practices
- To review the findings on management matters in conjunction with the External Auditors and Management's responses thereon
- To oversee the independence of the external auditors
- Ensure that there is an open avenue of communication between the External Auditors and the Board and confirm the Auditors' respective authority and responsibilities.
- Oversee and appraise the scope and quality of the audits conducted by the External Auditors.
- Review annually, and if necessary, propose for formal Board adoption, amendments to the Committee's terms of reference.
- To discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors.

The record of Attendance at the Statutory Audit Committee in 2024 are as set out below:

S/N	NAME	09/02/2024	14/03/2024	05/04/2024	05/07/2024	29/08/24	18/10/24
1	Abdulkadeer B. Njiddah	√	√√	√	√	√√	√
2	Adekunle J. Awe	√	√√	√	√	√√	√
3	Tata Shekarau Omar	√	√√	√	√	√√	√
4	Hafsat Magaji Inuwa	√	√√	√	√	×	√
5	Nura Manu Soro	√	×	×	√	×	×
6	Jameel M. Sadis	√	√√	×	NA	NA	NA

The record of Attendance at the Statutory Audit Committee in 2024 are as set out below:

- √ present
- ×
- √√ Presentation of Audited Financial Statement (AFS)
- NA Not yet a member/No longer a member

Management Committee

The Board Committees are supported by Management Committees of the Bank, comprising of senior officers who are responsible for the day-to-day operation of the Bank as a going concern. They ensure that laid down policies are followed and that the Bank abides by all relevant regulatory and legal requirements.

The Executive Management Committee is the highest Management Committee comprising of the Executive Directors and Top Management Staff of the Bank. Other Management Committees include the Assets and Liability Committee (ALCO), Management Credit Committee (MCC), Procurement Committee, IT Steering Committee, Disciplinary Committee and Asset Disposal Committee. These Committees review and implement the Board's broad strategic direction in various areas including business & financial performance, strategic planning, manpower planning, operations, customer service, investor relations, external relations, and organizational efficiency amongst others.

Sustainability Banking

We strive to do business in an ethical and socially impactful manner. The Bank is therefore mindful of business decisions on the environment, pursuant to which it develops and implements policies

aimed at enhancing the quality of life of its people and other stakeholders within our community, while protecting our environment and ensuring the growth of our business. We therefore abide by the Nigerian Sustainable Banking Principles.

Code of Ethics

The Bank has an Ethical Conduct and Integrity Policy in place; and all employees are required to abide by it. All employees are expected to maintain high ethical standards in all aspects of their professional life. The Policy provides sample offences and appropriate disciplinary measures to be adopted. The Bank also has a Code of Conduct & Ethics for its Directors which specifies expected behaviour.

Dealing in Company Securities and price sensitive information

The Bank has adopted a policy on insider trading and market abuse regarding all transactions in the Bank's securities which is applicable to its directors, officers, employees, contractors and consultants who have access to price sensitive information. In line with the policy, affected persons are prohibited from trading on the Bank's security during a closed period.

Whistle Blowing Procedure

The Bank has established a robust whistle blowing procedure which covers internal whistle blowers and extends to the conduct of the stakeholder. The Bank has a direct link on its website and intranet to enable stakeholders to report any allegations they want the Bank to investigate. Apart from the direct link, unethical practices can be reported via the whistle blowing dedicated email address whistleblowing@tajbank.com

A team, comprising of selected members of top Management, are responsible for reviewing reported cases and recommending appropriate action to the Board through the Audit Committee depending on the severity of the issues involved. In any case, however, a quarterly report of all whistleblowing cases would be forwarded to the Board. The Chief Compliance Officer of the Bank similarly renders quarterly whistle blowing report to the Central Bank of Nigeria.

Remuneration Policy

In accordance with corporate governance best practices, the Board of the Bank has established a comprehensive Remuneration Policy designed to align with the Bank's operational environment and performance outcomes. The Remuneration Policy encompasses the following key components:

- Fixed remuneration: This is based on the level of responsibility and constitutes a relevant part of total compensation. A wage benchmark is established for each position/level and period for the payment.
- Variable remuneration: This is linked to the achievement of previously established targets and prudent risk management, which includes profit sharing/productivity bonus payable annually.

The combination of these components serves as the basis for a balanced remuneration system that foster a high-performance culture, ensure equitable and competitive compensation practices while reflecting the Bank's strategy, values as well as the interests of its shareholders.

Remuneration to Non-Executive Directors:

The Non-executive Directors of the Bank are paid remuneration by way of sitting allowance for attending the meetings of the Board of Directors and its Committees. They are also entitled to reimbursement of travel, hotel, and other out-of-pocket expenses incurred in the course of discharging their responsibilities. The Non-Executive Directors of the Bank are not paid any other remuneration or commission.

Remuneration to Executive Directors

The remuneration for Executives comprises of fixed remuneration, benefits & perquisites, retirement/exit benefit and performance-based remuneration.

Contingency Planning Framework

The framework for contingency planning consists of a set of identified policies, actions and processes necessary for the prevention, management and containment of banking systemic distress and crisis. The Board has put in place various contingency plans for capital and liquidity restoration, amongst others which would enhance the Bank's ability to withstand both temporary and long-term disruptions in its ability to fund its activities in a timely manner.

Shareholders' interest

The Bank, in its bid to protect the interest of its Shareholders, particularly its minority shareholders, ensures that Shareholders' meetings are convened in a transparent and fair manner. Adequate notice of the general meeting is provided to shareholders and their rights are protected at all times. Attendance of general meeting is open to all Shareholders or their proxies. The proceedings are usually monitored by the representatives of the Central Bank of Nigeria, Corporate Affairs Commission and Nigerian Deposit Insurance Commission.

The Bank has an Investor Relation Unit, which deals with communications between the Bank and the shareholders. The Bank has a dedicated email address through which Shareholders and prospective investors can channel their enquiries for prompt response. The email address is TJinvestorupdate@tajbank.com

Communication Policy

The Policy is to support the Bank in achieving its objectives in pursuit of best corporate governance practices. The Executive Management ensures that communication and dissemination of information is carried out in clear English language which must be relevant, objective, and easy to understand. The Policy also ensures that the Bank delivers prompt, courteous and responsive service that is sensitive to the needs and concerns of the customers and other stakeholders.

Advisory Committee of Experts (ACE)

The advisory Committee of Experts review the Bank's operations to confirm that activities are carried out in accordance with the Shari'ah principles. The ACE has the responsibility of ensuring that the Bank's funds are not invested in prohibited activities or transactions and, also certify that all the Bank's products and services are Shari'ah compliant. The members of the Shari'ah Advisory Board are a mixture of Islamic scholars who are well versed in Islamic laws, principles and traditions relating to trade, finance, and economics, as well as financial experts.

Internal Control

Various aspects of the internal control of the Bank are the responsibilities of key officers. The Chief Compliance Officer, the Chief Risk Officer, the Chief Finance Officer, the Company Secretary and the Legal Adviser are all responsible for managing the internal control of the Bank.

The System of the Bank provides adequate assurance that the Bank will not be adversely affected by any event that could be reasonably foreseen.

Company Secretary

The Company Secretary is responsible for assisting the Board and Management in the implementation of the applicable Codes of Corporate Governance. The Company Secretary serves as a point of reference and support for all Directors. The appointment of the Company Secretary is done through a rigorous process that is similar to those of Directors. The Company Secretary is fully empowered to discharge these responsibilities, and the position reports directly to the Board, with a dotted line to the Managing Director.

Statement of Compliance

The Bank complies with the relevant provisions of the CBN Code of Corporate Governance and the Nigerian Code of Corporate Governance, 2018. In the event of any conflict between the two Codes regarding any matter, the Bank would refer to the provision of the CBN Code as its primary Regulator.

Monitoring Compliance with Corporate Governance

The Chief Compliance Officer monitors compliance and implementation of the Central Bank of Nigeria (CBN) Code of Corporate Governance as well as the Nigerian Code of Corporate Governance, 2018.

Complaints Management Policy

The Bank has put in place a Complaints Management Policy Framework to resolve complaints arising from issues covered under the relevant regulatory guidelines. Therefore, the Bank complies with the provision of the CBN Circular on handling customer complaints. Various channels such as, 24hour contact center, customer service desks and contacts through the Bank's website have been provided to facilitate seamless complaints and feedback processes.



SUSTAINABILITY AT TAJBank 2024

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MD/CEO Speech for Sustainability Report 2024 – TAJBank Limited



It is with immense pleasure and a deep sense of responsibility that I present to you TAJBank Limited's Sustainability Report for the year 2024. This report reflects our unwavering commitment to not only achieving financial success but also contributing positively to the communities we serve and upholding the ethical principles of Islamic finance.

At TAJBank Limited, we firmly believe that sustainability is not merely a buzzword but a fundamental pillar of our business strategy. It is deeply ingrained in our Shariah-compliant framework, which emphasizes fairness, transparency, and social responsibility. We recognize that true prosperity lies in creating shared value for all our stakeholders – our customers, employees, shareholders, and the wider society.

2024 has been a year of both challenges and opportunities. We navigated a challenging economic climate while maintaining our focus on sustainable growth. Despite these complexities, we have remained steadfast in our pursuit of sustainable growth, guided by our core values and a long-term vision.

This report details our progress across key sustainability areas, including:

- Financial Inclusion: We are committed to expanding access to Shariah-compliant financial services, particularly for underserved communities. Our branch expansion has enabled us to reach thousands of new customers. Our tailored financing solutions have empowered small and medium-sized enterprises.
- Social Impact: We recognize our responsibility to contribute to the well-being of society. Our business activities have created direct and indirect employment for thousands of people.
- Environmental Stewardship: We are increasingly aware of the importance of environmental sustainability. We have implemented energy efficiency measures in our operations and financed renewable energy projects.
- Governance and Transparency: We adhere to the highest standards of corporate governance and

transparency. We have strengthened our Shariah governance framework and are committed to transparent reporting and stakeholder engagement.

- Human Capital Development: We invest in our employees, recognizing them as our most valuable asset. We have provided training on Islamic finance principles and sustainable practices and foster a culture of diversity and inclusion.

Looking ahead, we are committed to further integrating sustainability into all aspects of our operations. We will continue to:

- Enhance our Shariah-compliant product offerings to meet the evolving needs of our customers.
- Strengthening our partnerships with community organizations and stakeholders to maximize our social impact.
- Embrace innovation and technology to improve our efficiency and reduce our environmental footprint.
- Promote financial literacy and empower communities to make informed financial decisions.

We recognize that our sustainability journey is a continuous process. We are committed to ongoing improvement and welcome feedback from our stakeholders as we strive to create a more sustainable future for all.

I extend my sincere gratitude to our dedicated employees, our valued customers, our supportive shareholders, and our community partners for their unwavering support. Together, we can build a brighter and more sustainable future, insha'Allah.

Hamid Joda

MD/CEO, TAJBank Limited



1.0 Our Ongoing Commitment to Sustainability

Building on our foundation of responsible and ethical banking, TAJBank reaffirms its unwavering commitment to sustainability in 2024. We recognize the urgency of addressing climate change and broader sustainability challenges, and we remain dedicated to aligning our operations with the Paris Agreement, Nigeria's Nationally Determined Contributions (NDC), and the Nigerian Sustainable Banking Principles (NSBP). Our vision of becoming a leading African financial institution is inextricably linked to our pursuit of best-in-class sustainability practices.

Our comprehensive approach to sustainability is anchored in the Environmental, Social, and Governance (ESG) framework. This commitment is not merely regulatory compliance; it is a core value driven by ethical considerations, robust stakeholder engagement, and a deep respect for environmental well-being. We believe that sustainable practices are essential for long-term value creation and positive societal impact.

In 2024, we continued to prioritize environmental sustainability by reducing carbon footprint, investing in renewable energy, implementing green lending practices. Our Environmental and Social (E&S) Risk Management Policy guides our assessment and mitigation of environmental risks associated with our investments. We actively seek opportunities to finance environmentally friendly projects and encourage sustainable practices among our clients.

We are dedicated to making a positive impact on the communities we serve. In 2024, our corporate social responsibility initiatives focused on education, health and community development. We invested in getting essential supplies, such as diapers, detergents, baby soap, antiseptic solutions, and other hygiene products, to new and expectant mothers. We also prioritize the well-being of our employees through capacity-building programs, a strong focus on health and safety, and a commitment to diversity and inclusion. We strive for gender equity at all levels of our organization, including our Board of Directors.

Maintaining the highest standards of governance and ethical conduct is paramount. We adhere to the Central Bank of Nigeria's Code of Corporate Governance, the Nigerian Code of Corporate Governance 2018, and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Standards. Our Board of Directors actively engage in discussions regarding climate change and sustainability. We maintain a robust Code of Professional Conduct for Employees and diligently monitor compliance. Our risk management framework encompasses all key risk areas, including credit, market, liquidity, operational, reputational, compliance, cybersecurity, and AML risks. Our Anti-Money Laundering and Combating Financing of Terrorism Framework, coupled with KYC procedures and transaction monitoring, ensures the integrity of our operations.



1.0 Our Ongoing Commitment to Sustainability

We recognize the importance of open communication and collaboration with our stakeholders. We actively engage with our customers, employees, communities, investors, and regulators through various channels. We value their feedback and incorporate it into our decision-making process. We demonstrate our commitment to transparency through regular reporting, including our bi-annual NSBP report to the Central Bank of Nigeria, our annual financial statements, and this Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards.

TAJBank is committed to continuous improvement in our sustainability journey. In the coming year, we will "Further reduce our carbon footprint," "Expand our sustainable financing portfolio," "Enhance our community engagement programs". We believe that by integrating sustainability into every aspect of our business, we can create long-term value for our stakeholders and contribute to a more sustainable future for Nigeria.

1.1

Ethics and Governance at TAJBank



The Board



TAJBank's Board of Directors comprises seasoned professionals with diverse knowledge, unwavering integrity, essential skills, and extensive experience required for sound, independent judgment in all deliberations and decisions. The Board, headed by a Chairman, consists of both Executive and Non-Executive Directors (NEDs).

In 2024, the Board composition was thirteen (13) members, comprising eleven (11) Non-Executive Directors and two (2) Executive Directors. The Board composition remained consistent throughout 2024, ensuring continuity and stability.

Two (2) of the Non-Executive Directors are Independent Directors, appointed in accordance with the Central Bank of Nigeria's Guideline on Independent Directors of Banks in Nigeria. This ensures objective oversight and reinforces our commitment to strong corporate governance. The Independent Directors play a vital role in safeguarding shareholder interests and promoting ethical conduct.

Management and Organization



The Board Governance, Remunerations, and Nominations Committee, appointed by TAJBank's Board of Directors, plays a crucial role in supporting the Board's oversight responsibilities. The Committee focuses on existing and emerging corporate governance principles, practices, and processes, fostering a culture of compliance and leading practices within the Bank. Its core responsibilities include ensuring adherence to high corporate governance standards and overseeing matters related to the Managing Director and Executive Directors, specifically their nomination, appointment, removal, and remuneration.

Ethics and Governance at TAJBank

Management and Organization



In 2024, the Committee comprised three (3) members, consisting of Non-Executive Directors and Independent Directors. All members are nominated by the Board. The Committee's composition remained consistent in 2024. In 2024, the Committee focused on reviewing and updating the Bank's corporate governance framework to align with best practices and played a key role in the performance evaluation of the Executive Directors.

Code of Conduct and Business Ethics



TAJBank maintains a strong commitment to the highest ethical standards and integrity in all its operations and across all locations. Our Ethical Conduct and Integrity Policy serves as the cornerstone of this commitment. This critical document, accessible to all employees, outlines the principles and guidelines that govern our conduct. Compliance with the policy is mandatory and provides a framework for accountability in carrying out responsibilities. It also clearly stipulates offenses and outlines appropriate disciplinary measures.

In 2024, the Board of Directors continued to prioritize the implementation of effective systems and processes that foster a culture of high ethical conduct and integrity throughout the Bank. During the year, the Bank conducted ethics training for all employees to reinforce awareness and understanding of the policy and created awareness on the confidential whistleblowing mechanism to encourage reporting of potential ethical violations.

Anti-Corruption and Fraud Prevention



TAJBank maintains a zero-tolerance policy towards bribery and corruption. We are committed to upholding the highest ethical standards and preventing all forms of corrupt and fraudulent practices. Our robust whistleblowing procedure empowers both internal and external stakeholders to easily report any allegations of corruption and fraud. Reports can be submitted through our website and intranet, ensuring confidentiality and accessibility. TAJBank will not recognize or be bound by any business arrangement proven to involve bribery or corruption.

Ethics and Governance at TAJBank

Anti-Corruption and Fraud Prevention



In 2024, we reinforced our commitment to anti-corruption and fraud prevention through several key initiatives. All staff members completed mandatory annual Anti-Bribery and Corruption training, with targeted training provided for specific roles. This comprehensive training program ensures that all employees understand and adhere to our policy across all operations. "The Bank implemented a new fraud risk assessment framework and invested in a fraud monitoring solution to proactively identify and mitigate potential vulnerabilities and fraudulent incidents. The Bank continued its annual anti-corruption training and awareness program and reinforced its commitment to a strong anti-corruption culture.

Transparency and Accountability



At TAJBank, we believe that providing the right products and services to our customers hinges on clear, transparent engagement and fair treatment. This approach is essential for building and maintaining customer trust and loyalty, while empowering them to make informed financial decisions. We design our products and services to meet the specific needs of each identified customer group, providing professional advice where appropriate. We ensure information is readily and clearly accessible through various channels, including our website and social media platforms, at every stage of our business transactions.

TAJBank is deeply committed to accountability. This commitment is exemplified by our annual Board Governance evaluation, conducted by independent consultants. The feedback received from this evaluation is carefully considered by the Board Governance, Remuneration and Nomination Committee, which oversees its implementation. In addition to the external evaluation, the Board also conducts an annual self-assessment of its performance.

In 2024, the Board implemented several recommendations from the independent evaluation to further enhance its effectiveness. The Board uses the insights gained from these evaluations to continuously improve its governance practices.

Ethics and Governance at TAJBank

Conflicts of Interest



TAJBank maintains a comprehensive Conflicts of Interest Policy that establishes clear boundaries for potential conflicts that may arise during the discharge of oversight functions. This policy assists Board members in identifying situations where their activities may constitute related party transactions, requiring specific handling. These procedures include defined processes for decision-making and transparent disclosures of member-related transactions within the financial statements.

In 2024, the Bank continued to uphold the principles of this policy. The Bank reinforced its commitment to the Conflicts of Interest Policy through ongoing communication and training.

Conflicts of interest are disclosed to shareholders at the Annual General Meeting through the Annual Report and Financial Statements, ensuring transparency and accountability. In any situation where a conflict of interest exists, appropriate approvals are obtained, following established procedures.

Risk Management



As a financial institution serving clients across diverse sectors of the Nigerian economy, TAJBank recognizes the inherent risks in our business. We maintain a comprehensive Enterprise Risk Management Framework (ERMF) to effectively manage identified risks and prepare for potential risks that could impact on our business and stakeholders.

A key component of our risk management approach is the identification and management of Environmental and Social (E&S) risks associated with our business decisions and transactions. We also consider environmental and social issues that could significantly impact our operations. Given our role as a financial intermediary, E&S risks are inherent in our business. Therefore, effective mitigation is a top priority. Our Environmental and Social Risk Management (ESRM) policy guides our actions to anticipate, mitigate, control, monitor, and report on risks related to the Bank's transactions with clients, other third parties, and procurement activities with suppliers, vendors, and service providers.

In 2024, we continued to strengthen our risk management practices. During the year, we enhanced our ERMF by incorporating Environmental and Social Risk. The Bank maintained its focus on continuous improvement of its risk management framework.

Stakeholder Engagement



TAJBank recognizes the critical importance of regular and effective engagement with all stakeholder groups. We have adopted a stakeholder-inclusive approach, establishing a management stakeholder committee to oversee and enhance the stakeholder engagement process across the Bank.

Our relationships with stakeholders are guided by our core values, as we strive to create and optimize value-adding services and initiatives that address their specific needs. We regularly map our stakeholders to better understand their needs and expectations. This mapping process allows us to align TAJBank's priorities with those of our key stakeholder groups, develop appropriate responses to their concerns, and maintain open communication channels for continuous engagement.

In 2024, we continued to utilize and refine various channels for engaging with our key stakeholders:

- ★ **Branches & Cash Centers:** Our primary point of interaction with customers, providing essential banking services.
- ★ **TAJBank Intranet Portal, HR Flex, and Corporate Communications:** Our main communication channels for employees, facilitating news sharing, announcements, procedure updates, and work document collaboration.
- ★ **Audited Report, Sustainability Report, Newsletters, and Quarterly Reports:** Publications used to communicate TAJBank's financial and ESG performance, along with other relevant information, to internal and external stakeholders.
- ★ **Customer Care Center, Feedback Surveys, and Tools:** Channels for identifying and addressing customer needs and grievances, as well as gathering feedback on our products and services.
- ★ **Websites, Banking Channels, and Social Media Platforms:** TAJBank's websites and social media accounts (YouTube, LinkedIn, Instagram, and Twitter) form a crucial part of our communication with external stakeholders. In 2024, we expanded our social media presence to better engage with younger demographics. The Bank continued to leverage these channels to maintain open and effective communication with its stakeholders.

Stakeholder Engagement





Stakeholder Group	Our Communication Channels	Stakeholders' Priorities
Customers	<ul style="list-style-type: none"> ➤ TAJBank website ➤ Branches & cash centers ➤ Customer care center ➤ Social media ➤ Banking channels ➤ Feedback tools and surveys ➤ Annual audited financial report 	<ul style="list-style-type: none"> ➤ Seamless banking experience ➤ Access to finance ➤ Digitization of services ➤ Cybersecurity and data privacy
Investors & Shareholders	<ul style="list-style-type: none"> ➤ Annual general meetings ➤ Quarterly reports ➤ Annual audited financial report ➤ TAJBank website ➤ Company secretariat 	<ul style="list-style-type: none"> ➤ Return on investment ➤ Business continuity ➤ Dividend payment
Employees	<ul style="list-style-type: none"> ➤ Annual performance review ➤ TAJBank intranet portal ➤ HR Flex ➤ Regular meetings ➤ Newsletters ➤ Annual audited financial report 	<ul style="list-style-type: none"> ➤ Compensation & benefits ➤ Career growth ➤ Training & development ➤ Conducive work environment
Government & Regulators	<ul style="list-style-type: none"> ➤ Monthly report ➤ Regulatory reviews ➤ Annual audited financial report 	<ul style="list-style-type: none"> ➤ Compliance with law, rules & regulations ➤ Tax
Suppliers/Vendors	<ul style="list-style-type: none"> ➤ Request for proposal ➤ Invitation to bid ➤ Meetings ➤ SLAs 	<ul style="list-style-type: none"> ➤ Open selection process ➤ Prompt payment
Local Community	<ul style="list-style-type: none"> ➤ Volunteering campaigns ➤ Social media ➤ TAJBank website ➤ Annual audited financial report ➤ Radio, TV/Newspaper advert 	<ul style="list-style-type: none"> ➤ Support for social needs of the community ➤ Donation & sponsorship of events

Our Material Sustainability Issues

TAJBank's material sustainability issues encompass a range of Environmental, Social, and Governance (ESG) topics considered significant to our business operations and overall performance by both the Bank and its key stakeholders. These issues are identified through a thorough analysis of topics deemed important by our internal stakeholders, as well as benchmarking ESG concerns across the financial industry. This process aligns with local and global frameworks, including the Nigerian Sustainable Banking Principles, Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB) standards, the United Nations Global Compact, and the UN Sustainable Development Goals (SDGs).

In 2024, we continued to refine our understanding of these material issues. During the year, we conducted stakeholder consultations to gather input on emerging ESG issues. The Bank continued to monitor and evaluate its material sustainability issues.

Looking ahead, our objective is to further enhance our materiality assessment process through robust engagement with our diverse stakeholders. This enhanced process will enable us to prioritize ESG topics based on their impact on both our stakeholders and our business, ensuring that our sustainability efforts are focused on the areas of greatest importance.

S/N	Sustainability Pillar	Material Topic
a	 Economic	1. Economic Performance
		2. Indirect Economic Impacts
		3. Anti-corruption
b	 Environmental	4. Energy (Usage/Efficiency)
		5. Emissions
		6. Environmental Compliance
		7. Supplier Environmental Assessment
c	 Social	8. Waste and Effluents
		9. Financial Inclusion
		10. Employment
		11. Workforce Well -Being, Benefits and Talent Retention
		12. Employee Work -life Balance
		13. Workplace Health and Safety
		14. Training and Education
		15. Diversity and Equal Opportunity
		16. Social Entrepreneurship
		17. Local Communities
		18. Customer Experience and Satisfaction
		19. Customer Financial Literacy
		20. Women's economic empowerment
		21. Promotion of Micro -entrepreneurship
D	 Governance	22. Human Rights
		23. Governance Structure and Composition
		24. Anti-Corruption
		25. Compliance with Laws and Regulations
		26. Compliance with Shariah (Including Responsible Financing)
		27. Stakeholders' Engagement






2.1

Sustainability Goals and KPIs

TAJBank recognizes the interconnectedness of sustainable development across economic, social, and environmental dimensions, and this understanding is central to our operational focus. Our sustainability framework is built on ethical financial and economic practices and principles. We are committed to fostering a stakeholder-inclusive culture and demonstrating an unwavering dedication to environmental well-being. We actively promote financially sound and socially responsible products and solutions that support economic growth, social well-being, and environmental health, while simultaneously building the foundation for sustainable finance.

As an ethical bank, TAJBank integrates sustainability into every facet of our operations, activities, and business endeavors. We are adapting our business models and core competencies to reflect this commitment. Our comprehensive Sustainability Strategy serves as a roadmap, outlining the necessary actions to achieve our short, medium, and long-term sustainability goals. This strategy strengthens the role of sustainability within our core business strategy, highlighting our approach to accelerating the transition towards a sustainable future and building enterprise-wide awareness.

The TAJBank Sustainability Strategy is guided by five key objectives:

-  Financial Inclusion
-  Efficient Resource Management
-  Human Rights and Corporate Social Investment
-  Environmental Stewardship
-  Sustainable Finance

We utilize ESG Key Performance Indicators (KPIs) to track progress and drive continuous improvement towards our goal of building a sustainable brand. Our employees are encouraged and supported in driving these KPIs and ensuring their achievement.

As a non-interest financial institution, we fully adhere to the ethical standards and business practices established by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This adherence ensures that all our banking activities are Shariah-compliant.

2.2

Progress and Achievements

In 2024, we made progress towards our sustainability goals by increasing financial inclusion, expanding our branch network, investing in hospital essentials supplies and offering financial assistance to pregnant women experiencing financial hardship, enabling them to settle outstanding medical bills and access necessary healthcare services

2.3

Areas for Improvement and Future Goals

At TAJBank, ESG factors are increasingly integrated into our business practices, encompassing corporate governance, risk management and controls, human capital management, client and customer service, community support, and the management of our physical operations. We recognize and actively manage potential ESG-related risks. We are also committed to creating value for our key stakeholders. This involves leveraging our business and policy expertise, data, and capital to drive inclusive economic prosperity, expand access to economic opportunities, and accelerate sustainability and climate solutions.

TAJBank acknowledges the significance and benefits of a robust approach to environmental and social risk management. We also understand the increasing complexities associated with effective sustainability management.

Our implemented framework for environmental and social risk management is designed to deliver numerous benefits, including:

- ✧ Enhanced operational efficiency
- ✧ Improved oversight of risk factors
- ✧ Strengthened decision-making under uncertainty
- ✧ Enhanced access to external financing
- ✧ Development of improved E&S-compliant financing models
- ✧ Enhanced financial management
- ✧ Heightened stakeholder confidence and trust
- ✧ Simplified regulatory compliance
- ✧ Increased likelihood of achieving corporate objectives and building a sustainable brand

In the coming year, we will focus on developing new sustainable finance products and implement a comprehensive carbon footprint reduction plan. We recognize that continuous improvement is essential to achieving our sustainability vision.

2.4

Progress Towards Achieving Sustainability Targets

In 2024, TAJBank prioritized strengthening our sustainability capabilities and competencies, enhancing sustainability governance structures, exploring market opportunities, building robust management systems, ensuring performance monitoring, measurement, and continuous improvement, and refining our reporting processes. To achieve these strategic goals, we invested in ESG training and capacity building for our Core Sustainability, Risk Management, and related functions. We also implemented structures to effectively manage risks and capitalize on emerging opportunities.

2.5

Commitments and Alignment to Local and Global Frameworks and Standards

We are committed to conducting business ethically and with positive social impact. We are mindful of the impact of our business decisions on the environment and communities we serve. Consequently, we have developed and implemented policies aimed at enhancing the quality of life for our people and other stakeholders, while also protecting the environment and ensuring the sustainable growth of our business. TAJBank has integrated the Nigerian Sustainable Banking Principles, United Nations Sustainable Development Goals (SDGs), United Nations Global Compact (UNGC), and other relevant sustainability frameworks and standards into our sustainability strategy.

Our mission to build a sustainable, ethical brand through exceptional service offerings, innovation, and professionalism, while enhancing value for our stakeholders, is aligned with our vision to be the leading African financial institution renowned for excellent customer experience and innovative solutions.

Our mission and vision are the driving forces behind our sustainability commitments, which align with local and global standards, guidelines, and industry best practices. These include, but are not limited to: Global Reporting Initiative (GRI), UN Global Compact (UNGC), United Nations Women Empowerment Principles, London Benchmarking Group, Islamic Development Bank Environmental and Social Safeguards Policy, UN Principles for Responsible Banking (PRB), Paris Agreement, UN Sustainable Development Goals (SDGs), International Financial Corporation Performance Standards ("IFC PS"), Central Bank of Nigeria's Nigerian Sustainable Banking Principles (NSBP), and the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs).

We are also committed to the provisions of frameworks such as the Financial Reporting Council of Nigeria Code of Corporate Governance (FRCN-CCG), Nigeria Climate Change Act 2021, Equator Principles, United Nations Environment Programme (UNEP) Finance Initiative, Taskforce on Climate-related Financial Disclosures, Partnership for Carbon Accounting Financials (PCAF), United Nations Guiding Principles on Business and Human Rights (UNGPs), and UNEP FI Principles of Responsible Banking.

3.0

DRIVING SOCIAL IMPACT



TAJBank's social impact initiatives are rooted in our commitment to Islamic values, community support, financial inclusion, and employee well-being. We strive to create positive change in society, empower individuals and businesses, and contribute to sustainable development.

3.1

Aligning Our Initiatives with Islamic Values



We adhere to Islamic values in all our initiatives, ensuring alignment with principles of fairness, transparency, and social responsibility. By adhering to Islamic banking principles, we aim to create a positive societal impact while offering ethically and morally responsible financial solutions. The sum of N4.2million contributed by staff of the Bank was spent on medical essentials for expectant and nursing mothers at Kubwa General Hospital during the year

3.2

Promoting Financial Inclusion and Access to Banking Services

TAJBank is dedicated to promoting financial inclusion and expanding access to banking services for underserved populations.

Key initiatives in 2024 included:

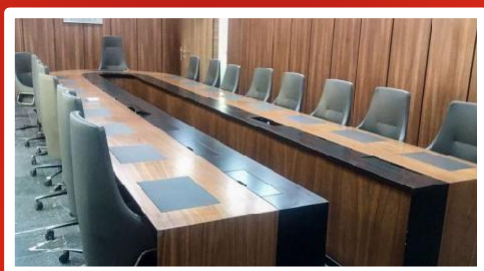
- **Branch Expansion:** Opened 11 new branches and 1 cash center across all regions of the country, improving access to banking services.
- **Digital Banking Solutions:** Launched innovative digital banking solutions, reaching over 368,810 customers with 156,208 in remote locations and enabling convenient access to financial services via mobile devices.

These efforts aim to bridge the gap between the banked and unbanked, empowering individuals, households, and businesses with essential financial tools.

3.3

Keeping Our People Happy Always

An Attractive Workplace



3.3

Keeping Our People Happy Always

TAJBank recognizes employees as our most valuable asset. In 2024, we focused on creating an attractive workplace that fosters creativity and self-actualization.

Key initiatives included:

- **Enhanced Benefits and Rewards:** Improved employee benefits and reward programs to ensure competitive compensation and promote employee satisfaction and well-being. A total number of 151 employees were promoted in 2024.
- **Professional Development:** Provided opportunities for professional growth through training programs, mentorship, and career advancement.
- **Modern Work Environment:** Created a comfortable and modern work environment that promotes collaboration, innovation, and work-life balance.

These initiatives are designed to attract and retain top talents while ensuring employee well-being and satisfaction.

3.4

Promoting Diversity and Inclusiveness



We value diversity and are committed to equal opportunity. At the end of 2024, TAJBank had 760 employees, comprising 269 females (35.4%) and 491 males (64.6%). Currently, there are 11 males and 3 females in senior management positions. As we grow, we will continue to promote diversity and inclusion across all operations.

3.4

Promoting Diversity and Inclusiveness

Initiatives implemented in 2024 to promote diversity and inclusion included:

- **Equal Opportunity Policies:** Policies and practices that guarantee equal employment opportunities and prevent discrimination based on race, gender, religion, or any other form of diversity.
- **Inclusive Culture:** Fostering a culture of inclusion through events and workshops that celebrate diversity and promote understanding and respect.
- **Representation of Underrepresented Groups:** Active efforts to increase the representation of underrepresented groups within our workforce.

By embracing diversity and inclusion, TAJBank aims to create a culture of creativity, collaboration, and empathy.

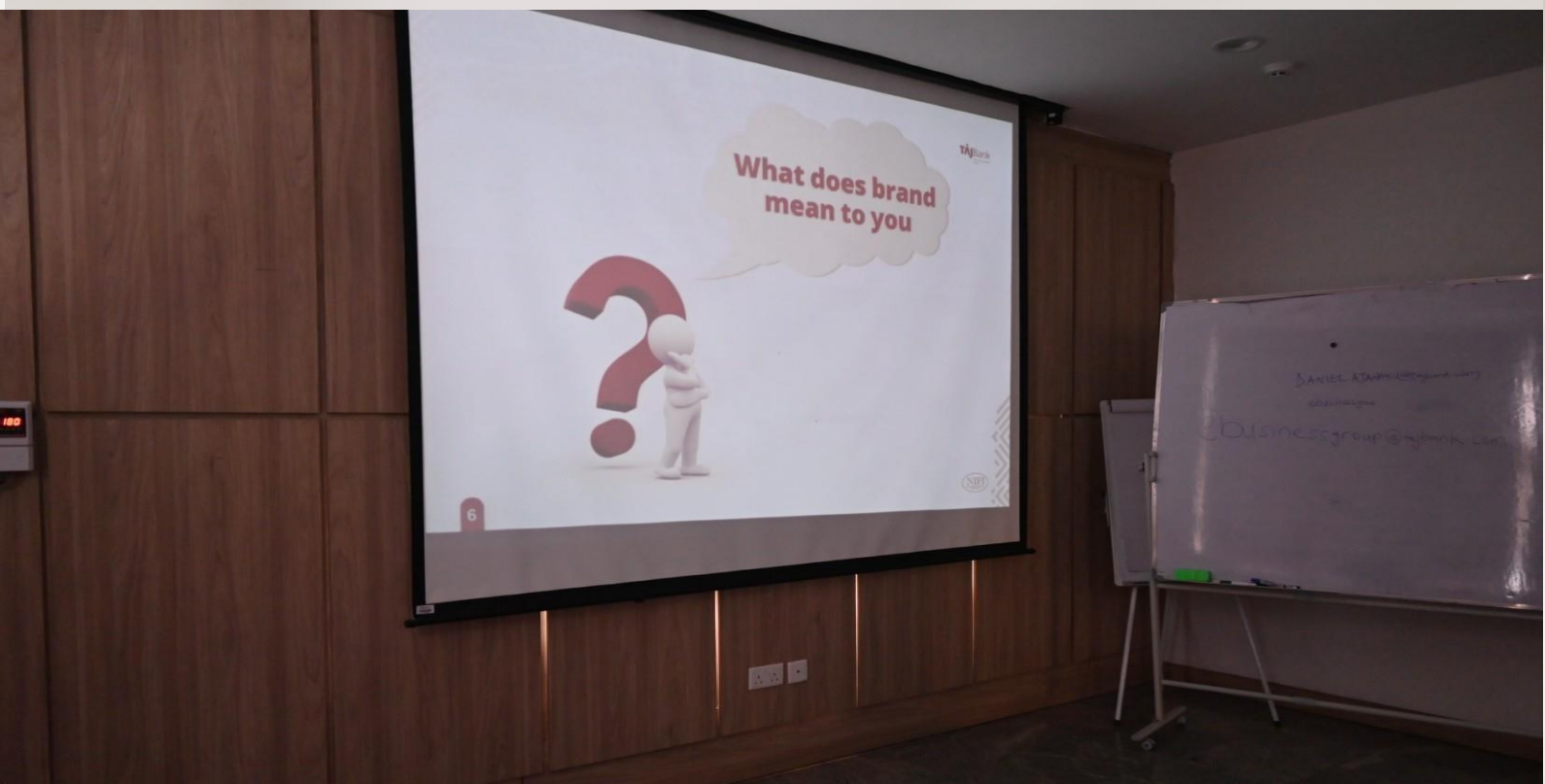
Gender	Number	Percentage (%)
Male	491	64.6%
Female	269	35.4%

3.5 Training and capacity building



3.5

Training and capacity building



TAJBank invests in employee training to support career development and improve operational performance. We offer training on critical operational topics and personal development, delivered through in-class sessions, virtual courses, and online platforms.

In 2024, 714 employees received training across our branches on topics including fraud and anti-corruption, human rights, banking processes, customer service, risk management, leadership, etc. We will continue to invest in employee learning and capacity building as we expand to ensure innovative and high-quality service for our customers. The Board members also attended relevant training programs during the year under review.

4.2

Promoting Resource Efficiency

Energy Consumption

Currently, sixteen percent (16%) of our branch locations (eight of fifty-one) utilize solar power, with four branches recently transitioned. We are actively pursuing a comprehensive transition of all branches to solar power to mitigate our dependence on fossil fuels.

In 2024, our aggregate energy consumption totaled 2812536.85 kWh. Expenditures for diesel, premium motor spirit (PMS), and electricity from the national grid amounted to N1,197,600,000.00, N234,972,000.00, and N436,800,090.00, respectively. This reflects our current operational reliance on diesel generators and grid electricity for our offices and PMS for our vehicle fleet. Our future strategy prioritizes substantial energy consumption reduction across all branches through the implementation of robust energy management initiatives and the exploration of electric vehicle acquisition.

Water Consumption

Our firm's principal water consumption is attributed to employee and restroom facilities. Water used for our sanitary facilities across our business are ground water sourced through bore holes. At the end of 2024, we have a total of 51 ground water sources across our branches. Total water consumption for 2024 reached 2,887,600 liters, incurring a cost of N17,930,000. We maintain a proactive approach to water conservation through prompt leak repairs and the installation of low flow plumbing fixtures.

Paper Consumption

To address the significant paper consumption within TAJBank's operations, we are actively implementing a comprehensive transition to paperless processes. Our 2024 initiatives centered on digitalization, specifically promoting digital account openings and restricting employee printing to essential tasks only. This effort has been significantly aided by the digitalization of operational workflows. Furthermore, we are actively pursuing partnerships with recycling firms to establish a robust paper recycling program.

Waste Management

TAJBank generates solid and electronic waste. In 2024, we collaborated with a recycling company for e-waste collection and utilized government-approved waste collectors for unrecyclable waste. We enhanced waste segregation protocols through the implementation of designated receptacles for recyclables and general waste.

Energy Efficiency Initiatives

TAJBank is expanding the use of solar energy across existing branches and will ensure new locations are solar-powered. We will continue investing in energy-saving bulbs and sensor lighting to enhance energy efficiency, reducing electricity demand, energy costs, and carbon

5.0

RESPONSIBLE FINANCING AND ECONOMIC PERFORMANCE



5.1 Islamic Banking



TAJBank is committed to conducting banking operations in accordance with Shariah principles, promoting responsible financing and investment practices. Our approach reflects our dedication to ethical and socially responsible financial services

- **Shariah Compliance:** We adhere to the highest standards of Shariah compliance in all financial products, services, and investments. Our operations are guided by transparency, fairness, and social responsibility.
- **Ethical Investment:** We invest in projects and activities aligned with Islamic principles and positive social impact, avoiding sectors such as alcohol, gambling, tobacco, and other Shariah-prohibited activities.
- **Socially Responsible Financing:** Our financing supports projects that benefit the community and promote sustainable development, including renewable energy, affordable housing, education, healthcare, and SMEs.
- **Financial Inclusion:** We are committed to financial inclusion, providing access to services for underserved communities through microfinance programs, interest-free loans, and specialized products.
- **Stakeholder Engagement:** We actively engage with stakeholders to ensure their voices are heard and their needs are met responsibly and ethically.

5.2

Adherence to Shariah-compliant Financing Principles



TAJBank's Sovereign Shariah Committee (Advisory Committee of Experts - ACE) conducts operational reviews to ensure Shariah compliance. The ACE's responsibilities include preventing the use of funds for prohibited activities and certifying the Shariah compliance of all products and services; its membership comprises Islamic scholars and financial experts who provide guidance on Islamic finance principles.

The Shariah Advisory Board, composed of diverse members including Islamic scholars specializing in Islamic law, principles, and traditions related to trade, finance, and economics, as well as financial experts, offers comprehensive guidance and insights to ensure the bank maintains the highest standards of Shariah compliance.

5.3

Green Financing, Ethical Financing And Responsible Investment Practices

TAJBank promotes sustainable development and responsible financing. The Board Risk Management Committee oversees investment activities, balancing returns and risks.

- Green Financing: We support environmentally friendly initiatives through specialized financial products for renewable energy, energy efficiency, sustainable infrastructure, and other green projects.
- Responsible Investment Practices: We integrate ESG factors into investment decisions, focusing on companies with strong ESG performance, ethical practices, and commitment to sustainable development

5.3

Supporting Businesses for Sustainable Economic Growth



TAJBank supports sustainable businesses aligned with our ethical and environmental values.

- Supporting SMEs: We provide financial solutions, including financing and business advisory services, to support SME growth. In 2024, we supported 561 SMEs through financial investments, training, empowering them and contributing to economic development. This represents a substantial increase from the 233 SMEs supported in 2023.
- Socially Responsible Investing: We invest in businesses with strong CSR practices. In 2024, we conducted environmental and social assessments on 242 facilities and investment transactions, considering environmental impact, labor practices, community engagement, and ethical governance.
- Financing Green Initiatives: We offer preferential facility terms for projects focused on renewable energy, energy efficiency, and waste management. Several green projects received funding in 2024, and we are actively developing a robust portfolio of green financing products to support such initiatives in the future.

Some of our Progress and Achievements





TAJBANK

Our Only Interest is You

RISK MANAGEMENT FRAMEWORK

Overview

The Risk Management Framework in TAJBank includes policies, procedures and manuals, Board of Directors' and Executive Management oversight, internal controls, and management information system. The primary goal of risk management is to identify, assess and monitor risks inherent in the activities of the Bank and take adequate measures to manage and control these risks on a timely basis. The Bank's aim is to achieve an acceptable balance between risk and return and minimizing potential adverse effects on the Bank's financial performance. The Bank has identified its major risk areas as strategy, credit, market, liquidity, profit rate, reputational, Sharia non-compliance and operational risk. Risk identification in these areas is carried out by the relevant risk owners in conjunction with the Risk Management Division.

Risk Management Philosophy

Risk philosophy describes the Bank's attitude to risk taking. It is the main thrust of its officer's behaviour in the conduct of business activities from a risk perspective. The Bank's risk management philosophy is encapsulated in the following statement:

Risk management culture as a tool for sustainable healthy growth aimed at enhancing shareholders' value.

The risk philosophy is cascaded into the following risk principles as working statements:

- The Bank will consider sound ethical and shariah based risk management system, and compliance with regulatory authorities to build the foundation of a resilient financial institution focused on ethical and welfare Banking.
- The Bank will adopt a holistic and integrated approach to risk management as it is required by the nature of shariah based financial contracts viz-a-viz its operations and, therefore, brings all risks together under one or a limited number of oversight functions.
- The Bank will not take any action that will undermine its integrity as an ethical non-interest financial institution.
- The Bank will only assume risks that fall within its risk appetite with commensurate returns.
- The Bank will adhere to the risk management cycle of identifying, measuring, controlling and reporting risks.
- Risk officers shall be empowered to perform their duties professionally, ethically and independently free of any form of interference.
- Risk management will be governed by well-defined policies that are clearly communicated across the Bank.

- Risk management is a shared responsibility. Therefore, the Bank will build a shared perspective on risks that is grounded in deliberated consensus.
- The Bank's risk management governance structure is clearly defined.
- Risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance between risk and return considerations and in consonance with the import of Islamic Jurisprudence.
- Risks are reported openly and fully to the appropriate levels once they are identified.

Risk Culture

The Bank's risk culture is intertwined with its risk philosophy. It permeates across the Bank where everyone is a risk champion. The culture is built around the following cardinal principles:

- Minimization of potential risk that can jeopardize its fiduciary responsibility as a NIFI while expanding the Bank's market share.
- The responsibility for risk management in the Bank is fully vested in the Board of Directors, which in turn delegates such to senior management.
- The Bank pays attention to both quantifiable and unquantifiable risks with special treatment for sharia'h non-compliance risk.
- Bank's management promotes awareness of risk and risk management across the Bank.
- The Bank avoids products, markets and businesses where it cannot objectively assess and manage the associated risks in line with both the sharia'h and country perspective.

Risk Appetite:

The Bank understands that the road leading to achieving its strategic business objectives is laden with inherent risks. Whilst the risk philosophy underlines how inherent risks are taken into consideration in decision making, the Board of Directors and Management of the Bank determine the acceptable risks based on its resources and capabilities in terms of people and technology.

Risk Appetite Statement

The Bank will uphold a moderate risk appetite while pursuing its strategic business objectives, organic growth, cost containment and digital footprints to be among the leading Banks in Nigeria.

The Bank's appetite for risk is governed by the following:

- High-quality risk assets measured by three Key Performance Indicators:
 - i. ratio of non-performing investment (NPI) to total investment;
 - ii. ratio of investment loss expenses to profit returns; and
 - iii. ratio of investment loss provision to gross non-performing investments.

- Diversification targets are set for the investment portfolio and limits are also set for aggregate large exposures.
- Losses due to fraud and operational lapses are pegged at a maximum of a specified percentage of gross earnings and in any case must be lower than the industry average.
- Financial and Prudential ratios targets are pegged at a level more conservative than regulatory requirements and better than the average of benchmark Banks. These include but not limited to liquidity ratios, deposit concentration limits, open position limits and provisioning policies.
- The Bank aims to minimize the following independent indicators of excessive appetite for risk:

exception reporting by internal control officers, auditors, sharia'h auditors, regulators and external rating agencies;

- adverse publicity in local and international press;
- frequent litigations;
- payment of fines and other regulatory penalties; and
- above average level of staff and customer attrition.

Risk Management Governance & Process

Risk Management activities are performed at strategic, macro and micro levels. The Bank's risk management framework consists of structure, policies, strategy, process and techniques for the management of risks. The risk governance structure is modelled according to the three lines of defense. The Board and its committees perform oversight roles and approve the policies and strategy for the management of risk.

The Bank manages its risks through a framework of sound risk management principles which includes identification of potential risks, establishment of risk tolerance and control limits, assessment of the impact of potential risks and formulation of policies, procedures and strategies to mitigate risks to the Bank while ensuring continuous monitoring and reporting to stakeholders as well. While the Board provides policy framework and sets strategic direction, the Bank's management is required to formulate procedures, establish organizational structure, introduce systems and monitoring tools to ensure their implementation.

The Board has constituted a Board Risk Management Committee (BRMC), comprising Board members with well-defined terms of reference. The Board of Directors also have a Board IT

Committee which, amongst other IT and Digital Banking related matters, ensures that cyber security risk management strategies are designed and implemented. The Bank's risk governance is mainly exercised through the following management committees:

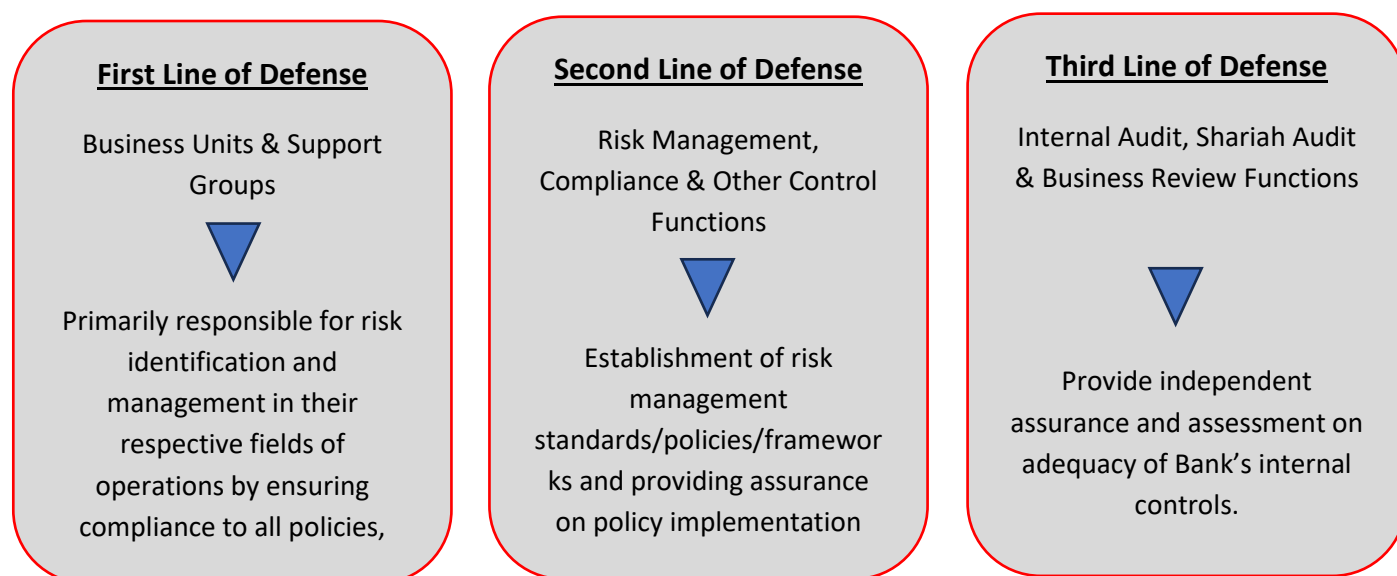
- i. Executive Management Committee (EMC)
- ii. Management Credit Committee (MCC)
- iii. Asset & Liability Management Committee (ALCO)
- iv. Operational Risk Management Committee (ORMC)
- v. IT Steering Committee (ITSC)
- vi. Crisis Management Committee

The composition, terms of reference and delegated powers of authority of the Board and Management Committees are set by the Board and are reviewed annually.

The MCC ensures that credit risk activities of the Bank fall within the ambit of approved policies, regulatory requirements, and risk appetite thresholds. MCC also provides support and guidance to business units in managing their portfolio with a prudent approach.

ALCO reviews market and liquidity risk exposures, assets and liabilities mix, maturity profile, repricing gaps, sets pricing and taking decisions for sound liquidity management. The ORMC focuses on issues arising from compliance risk along with operational risk, Shariah Non-compliance Risk, and control issues. The ORMC ensures that adequate business continuity/disaster recovery plans are prepared, tested and decision-making authority in the event of a crisis is clearly defined. ITSC is responsible for implementing IT and digital strategies approved by the Board of Directors and for playing an advisory role to the Board in all technology-related matters. It is responsible for reviewing significant incidents, major risks and breaches submitted by the Information Security Department.

TAJBank has a 'Three Lines of Defense' model for risk management with clearly defined roles and responsibilities that are at the core of the Bank's operations:



The Bank has a comprehensive Recovery Plan in place for dealing with various crisis scenarios along with early warning signals and appropriate remedial actions during crises. The Bank has in place approved Internal Capital Adequacy Assessment Process and Risk Appetite Statement which is regularly reviewed and updated. The Bank has been continuously improving upon its stress testing framework to capture the impact of various shocks on the Bank's business portfolio, capital adequacy, liquidity, and profitability.

Moreover, Macro Stress Testing scenarios have also been developed to monitor the impact of change in macro-economic variables on the financial position of the Bank.

Risk Management Process

TAJ Bank's risk management process establishes a standard and structured process for identifying, managing and reporting risks across the Bank. Its processes are based on leading practice, and in line with the Shari'ah requirements outlined in the best practices under Basel II, and IFSB-15 & IFSB-16. Below are the key activities to be performed under this process.

Risk identification

The methods the Bank adopts to identify risks involve engaging knowledgeable people periodically, including business and process owners as well as relevant third parties either one-on-one or in a workshop session to understand their views on the current and future business environment. The Bank also uses process reviews and evaluation as well as reviews of recent

events (e.g. audit report, near misses, inspection reports and other risk events that are applicable to the Bank) to identify risks.

Risk assessment

The approaches for assessing risk in the Bank include facilitated workshops (e.g. risk control self-assessment workshops), interviews and the use of questionnaires. The assessment and categorization of risk into catastrophic, significant, major, minor and insignificant is based on the assessment of likelihood of occurrence and the impact of risk.

Risk Treatment

The risk treatment approach involves selecting and agreeing to one or more relevant options for changing the probability of occurrence, the impact of risks, or both, and going ahead to implement the options. The Bank applies any or a combination of the following four approaches to treat risks:

- Risk avoidance/elimination;
- Risk acceptance/retention;
- Risk reduction/mitigation; or
- Risk transfer / sharing.

Risk Monitoring

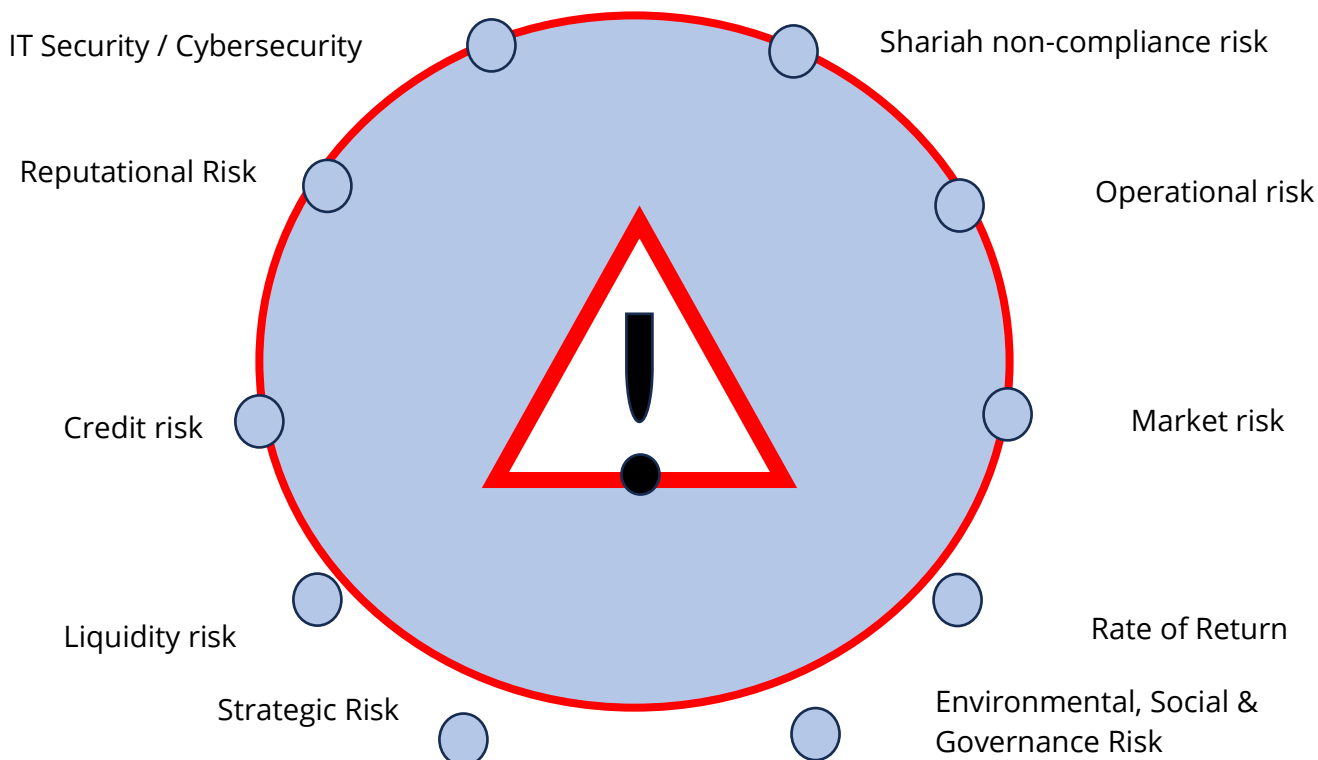
The Bank monitors and reviews risks and controls on a regular basis to ensure that:

- assumptions made about risk, including the basis of the risk assessment, remain valid;
- projected outcomes and expected results are being achieved;
- outcomes of risk assessment are in tandem with actual experience;
- risk assessments techniques are being applied as desired;
- right mix of risk treatment is being used and risk treatment used is effective.

Risk Reporting

Risk management reports are prepared by Risk Management on a periodic basis to assess the adequacy and completeness of the risk management process. Risk management reports are produced for the Bank as a whole and according to business unit, risk segment, geography and product or service group. The objective is to enable decision-makers to evaluate risk management performance monthly, weekly, daily or even in real time, as the nature of the risks and circumstances dictate.

Types of risks exposed to by the Bank.



The following are the major forms of risk to which the bank is exposed:

- Credit risk
- Market risk
- Liquidity risk
- Profit rate risk
- Shariah non-compliance risk
- Operational risk and
- Reputational risk
- . Strategic risk

Strategic Risk Management

Strategic risk is the current and prospective impact on profits or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. It is a risk that could significantly impact on the achievement of the Bank's vision and strategic objectives as documented in the strategic plan. It is also viewed as the risk associated with future plans including business expansion involving new products, services & delivery channels and branch expansion across geopolitical zones.

In TAJBank, we define strategic risk management is defined as the process of identifying, assessing, measuring, monitoring and managing the risk in the Bank's business strategy. Strategic risk management involves evaluating how a wide range of possible events and scenarios will

affect the strategy and its execution and the ultimate impact on the Bank's value. Strategic risk management is an essential component of our enterprise risk management.

The Board and Executive Management are responsible for the Bank's strategic risk management process by ensuring that a functional and effective policies and framework are in place. The functional business units support the Board and Senior management to:

- establish and implement the Bank's strategic risk management framework based on criteria and standards set by the Board
- to develop strategies to meet the Bank's strategic goals and objectives;
- to formulate the Bank's strategic plan and related implementation plans (such as business, development and operating plans)

Effective management of strategic risk requires that policies, procedures and limits be established to ensure objective evaluation of and responsiveness to the Bank's business environment. Policies on business strategy are critical in defining the business segments that the institution will focus on, both in the short and long run. The Bank has clear guidelines on frequency and procedure for the review of its business strategy.

The failure or success of a strategy depends on whether the Bank has adequate resources and capability to implement the strategy and whether the Bank can effectively monitor and control the progress of implementation. As such, in addition to strategic planning, the Bank has a process to facilitate the monitoring and control of strategies being implemented.

Active Board and Executive Management oversight with the support of the strategic risk management function help to ensure effective implementation and control of strategies. In addition, there are adequate management guidelines and written procedures for implementing strategies and monitoring and reporting the progress of implementation.

Where the Bank have identified strategic issues arising from anticipated operational or market changes which may result in a significant adverse impact on its business or financial conditions, such issues are reported to the Board and Executive Management in a timely manner, with an assessment of the strategic risk implications and the need for taking remedial actions (such as modifying existing strategies and implementing risk mitigating or contingency measures).

Liquidity Risk Management

Liquidity risk is defined as the risk to the Bank's profit or capital arising from its inability to meet its obligations as they fall due, without incurring significant costs or losses. Liquidity risk management involves not only analyzing banks on and off-balance sheet positions to forecast future cash flows but also how the funding requirements could be met. Liquidity risk arises from mismatches in the timing of cash flows. Funding risk (a form of liquidity risk) arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.

Whilst the Board as part of its oversight responsibilities ensures that the Bank has the necessary liquidity risk management framework and that it is capable of confronting uneven liquidity scenarios the Executive Management is responsible for the implementation of sound policies and

procedures keeping in mind the strategic direction and risk appetite specified by the Board to effectively oversee the daily and long-term management of liquidity risk. The responsibility for managing daily liquidity assessment resides with the Bank Treasurer. However, the balance sheet liquidity management resides with ALCO, which comprises of senior management from key areas of the Bank that identify/manage liquidity risk. The ALCO meets monthly or more frequently as occasion demands.

As a proactive measure against liquidity risk, the Bank solicits and attracts funds from various sources to channel to its financing and investment activities in Shariah compliant instruments in the money and capital markets. The Bank has developed an effective liquidity contingency funding plan that becomes handy in case of liquidity crisis.

Market Risk Management

TAJBank defines market risk as the risk that the value of on and off-balance sheet positions of TAJBank will be adversely affected by movements in market rates or prices such as foreign exchange rates, rate of returns, equity prices and/or commodity prices resulting into reduction in profit and capital.

The risk arising from market risk factors can be categorized as shown in the table below:

Measures to control market risk:

The Bank has clearly defined policies and procedures for limiting and controlling market risk on both on- and off- balance sheet positions. The policies and procedures:

- Delineate lines of responsibility and accountability over market risk management decisions and clearly define authorized instruments, hedging strategies and position-taking opportunities.
- Identify the types of instruments and activities that the Bank may employ or conduct.
- Identify quantitative parameters that define the levels of rate of return risk, price risk and foreign exchange risk acceptable for the Bank and where appropriate, such limits are further specified for certain types of instruments, portfolios and activities.
- Review and revise periodically the procedures to define the specific procedures and approvals necessary for exceptions to policies, limits and authorizations.
- Delineate a clear set of institutional procedures for acquiring specific instruments, managing portfolios and controlling the Bank's aggregate market risk exposure.

Prior to introducing a new product, hedging, or position-taking strategy, management always ensure that adequate operational procedures and risk control systems are in place.

Shariah Non-Compliance Risk Management

As a non-interest financial institution, Sharia non-compliance risk is a major source of reputational risk for the Bank. The risk arises from failure to comply with the rules of Sharia and its principles determined by the Bank's Advisory Committee of Experts (ACE) and Central Bank's Financial Regulation Advisory Council of Experts (FRACE). Sharia Compliance is critical for NIFIs' operations and such compliance requirements must permeate throughout the organizations and its products and activities.

The thrust of Shariah non-compliance risk management is to systematically identify, measure, monitor and control of Shariah noncompliance risks to mitigate any possibility of non-compliance events. This will enable TAJBank to continue its operations and activities effectively without being exposed to unacceptable levels of risk. The Bank is strongly determined to comply with Islamic commercial jurisprudence in all its activities including risk management.

Control and Management of Sharia non-compliance risk

TAJBank has developed and continuously enhance the Shariah non-compliance risk management framework and other risk management policies and procedures relevant to the Bank. The Sharia non-compliance risk management unit under Risk Management Division together with the Compliance department act as the second line of defense in providing independent oversight to ensure compliance to Shariah related regulatory guidelines. The Unit facilitate risk assessment and control effectiveness assessment (with focus on risks that are unique to the Islamic Banking especially Shariah Compliance risk) during new business, products or service development and launching as part of the Bank process. Continuous monitoring of risk profiles and controls effectiveness to facilitate efficient and effective management of Islamic banking business risks and Shariah non-compliance risks as well as ensuring TAJBank stays within the risk thresholds set out in the annual Risk Appetite Statements

Rate of Return Risk Management

TAJBank allows disciplined risk taking within well-defined financing/investment and risk appetite framework that enables the Bank to enhance shareholder's wealth while retaining its competitive advantage. As a NIFI, the Bank is exposed to the rate of return risk in the context of its overall Balance sheet exposures. An increase in benchmark rates may result in Investment Account

Holders' (IAHs) having expectations of a higher rate of return, which if not met could metamorphose into Displaced Commercial Risk (DCR). Considering the above, the Bank continuously monitors development in the financial market to identify, measure and mitigate Displaced Commercial Risk-DCR and remain competitive. To this end, the Bank has put in place a policy for Income smoothing through the setting up of Profit Equalization Reserve –PER to cater for the interest of both the Shareholders' and the IAHs. In addition to this, the Bank has equally set up an Investment Risk Reserve-IRR exclusively to subsidize potential future losses also to mitigate the impact of Displaced Commercial Risk on the Bank.

Credit Risk Management

Credit risk refers to the potential loss that the bank could sustain as a result of counter-party default and arises principally from financing customers and mudarabah deposit with other Banks. The Bank manages its credit risk within a governance structure supported by delegated powers of authority as approved by the Board. The credit approval process is graduated, whereby increasingly higher levels of authorization are required depending on the type and value of the transactions concerned. Applications for credit may therefore be considered progressively by Executive Management, the Management Credit Committee, the Board Risk Management Committee and the Board itself.

A separate Risk Management Division, reporting to the Chief Executive and the Board Risk Management Committee of the Board, is responsible for the oversight of the Bank's credit risk, including:

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and compliance with regulatory and statutory requirements
- Establishing the authorization structure for the approval and renewal of credit facilities
- Reviewing and assessing credit risk
- Limiting concentrations of exposure to counterparties and by product and
- Developing and maintaining risk gradings to categorize exposures to the degree of risk of financial loss faced and to focus management on the relevant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.

Credit exposures are monitored primarily on performance. Defaulting accounts receive prompt attention. Initially they are dealt with by line management and, in instances where further degeneration occurs, they are handed over to the Bank's recovery team and legal department.

Depending on the type of credit exposure, account reviews, which include the re-performance of qualitative and quantitative assessments, are performed annually. The credit risk management process needs to identify all risk factors to enable such risks to be quantified and their impact on the pricing or credit risk to be considered. Pricing for credit risk is therefore, a critical component of the risk management process. The main risk of default by the counterparty is mitigated by means of collateral security obtained from the obligor concerned.

The Executive and Board Risk Management Committees constantly monitor the credit quality of counterparties and the exposure to them. Detailed risk reports are submitted to the aforementioned committees and to the management credit committee on a regular basis.

Credit Risk Management Process

Credit Risk Management Department is responsible for identifying, measuring, monitoring, controlling and reporting credit risk within the Bank. The Bank establishes exposure limits to credit risk based on regulatory prescriptions set by the Central Bank of Nigeria (CBN). In addition, the exposure limits are established based on prudential guidelines and the Bank's internal considerations. Exposure limits are established for single and group obligors, sector exposures, etc. Deviations from the limits are handled through close monitoring by Credit Risk Management Department.

The Bank's credit monitoring and control activities include making the obligor to adhere to financial and non-financial covenants. All credit exposures are adequately collateralized, and all watch list and non-performing accounts properly classified and adequately provisioned.

A review of the credit process typically includes analysis of the credit manuals and other written guidelines applied by various departments of the Bank, and the capacity and actual performance of all departments involved in the credit function. It also covers origination, appraisal, approval, disbursement, monitoring, collection and handling procedures for the various credit functions provided by the Bank. As a way of providing second level assurance, the internal audit review team also ensures the following:-

- The credit granting function is carried out effectively.
- The credit exposures are within the prudential and internal limits set by the Board.
- Validation of significant change in the risk management process.
- Verification of the consistency, timeliness and reliability of data used for internal risk rating system.
- Compliance with the institution's credit policies and procedures.
- Adherence to internal risk rating system.
- Identification of areas of weaknesses in the credit risk management process.
- Exceptions to the policies, procedures and limits

Internal audit reviews are conducted on a periodic basis. The audits also identify weaknesses in the credit risk management process and any deficiencies in the policies and procedures.

Risk Ratings

It is a core credit policy that risk ratings known as Obligor Risk Ratings (“ORRs”) and Facility Risk Ratings (“FRRs”) are consistently assigned to all obligors and credit facilities following the Bank’s approved risk rating process.

Risk ratings allow the Bank to describe and compare credit exposures, regardless of nature, type or location, using a common terminology. Risk ratings are assigned on an alpha-graded scale ranging from AAA to D. AAA is the highest credit quality and D the lowest credit quality.

Risk ratings are assigned to obligors based on the risk or probability that the obligor will default, and to credit facilities based on the loss that is expected in the event of such a default. The assignment of a risk rating is not a prediction that there will be an actual default or an actual loss. Rather, it is a statistical statement that an obligor or a credit facility displays characteristics similar to other obligors or facilities which, based on historic experience, have generated on average a certain level of default and credit loss.

The table below shows the Bank’s rating scale and the S&P equivalent

TAJBank Credit Rating	S&P Credit Rating Equivalent	Rank
AAA	BBB	1
AA	BB	2
A	B	3
BBB	B	4
BB	B	5
B	CCC/C	6
CCC	CCC/C	7
CC	CCC/C	8
C	CCC/C	9
D	D	10

OPERATIONAL RISK MANAGEMENT

Operational risk has been defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. It seeks to identify why a loss happened and at the broadest level includes the breakdown by four causes: people, processes, systems and external factors.

TAJBank had developed and implemented an enterprise-wide Operational Risk Management Framework that is fully integrated into the Bank’s overall risk management processes. The

Framework for operational risk management chosen by the Bank depends on a range of factors, including its nature, size, complexity and risk profile.

The policies defining the Framework include:

- governance structures used to manage operational risk, including reporting lines and accountabilities.
- risk assessment tools and how they are used
- the bank's accepted operational risk profile, permissible thresholds or tolerances for inherent and residual risk, and approved risk mitigation strategies and instruments
- the bank's approach to establishing and monitoring thresholds or tolerances for inherent and residual risk exposure
- risk reporting and Management Information System (MIS)
- appropriate independent review and assessment of operational risk; and
- the policies to be revised whenever a material change in the operational risk profile of the bank occurs.

The Bank has policies, processes and procedures to control or mitigate material operational risks. Operational risk policies and procedures that clearly define the way in which all aspects of operational risk are managed are documented and communicated. These operational risk management policies and procedures are aligned to the overall business strategy and support the continuous improvement of risk management.

Measuring operational risk

Risk identification and assessment are fundamental characteristics of an effective operational risk management system. Effective risk identification considers both internal and external factors. Sound risk assessment allows the Bank to better understand its risk profile and target risk management resources and strategies most effectively.

Some of the tools that the Bank use for identifying and assessing operational risk include:

Internal Loss Data Collection and Analysis: Internal operational loss data such as loss arising from fraud, forgeries, robbery and system downtime provides meaningful information for assessing the Bank's exposure to operational risk and the effectiveness of internal controls. Analysis of loss events provide insight into the causes of large losses and information on whether control failures are isolated or systematic.

External Data Collection and Analysis: External data elements consist of gross operational loss amounts, dates, recoveries, and relevant causal information for operational loss events occurring at organizations other than the Bank.

Risk Assessments: In a Risk Control Self-Assessment (RCSA), the Bank assesses the processes underlying its operations against a library of potential threats and vulnerabilities and considers their potential impact.

Business Process Mapping: Business process mappings identify the key steps in business processes, activities and organizational functions. They also identify the key risk points in the overall business process. Process maps reveal individual risks, risk interdependencies, and areas of control or risk management weakness.

The Bank maintains a log of major operational risks events such as:-

- frauds and attempted frauds;
- robberies.
- breaches of the Bank's risk appetite and tolerance level;
- details of recent significant internal and external operational risk events and losses;
- Any operational risk events witnessed in the financial industry and the how well the institution is prepared to mitigate such events;
- System downtime.

Data capture and risk reporting processes are analyzed periodically with a view to continuously enhancing risk management performance as well as advancing risk management policies, procedures and practices.

REPUTATIONAL RISK MANAGEMENT

Reputational risk is the potential that negative publicity regarding TAJBank's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. This risk may result from the Bank's failure to effectively manage any or all of the other risk types.

Managing reputational risk begins with recognizing that reputation is a matter of perception. The Bank's overall reputation is a function of its reputation among its various stakeholders (investors, customers, suppliers, employees, regulators, the communities in which the Bank operates etc.) in specific categories (product quality, corporate governance, employee relations, customer service, intellectual capital, financial performance, handling of environmental and social issues). A strong positive reputation among stakeholders across multiple categories will result in a strong positive reputation for the Bank.

TAJBank has policies, processes and procedures to control or mitigate material reputational risks. Authority and accountability for compliance are clearly defined and enforced. The Bank's privacy policies fully consider legal and litigation concerns. Policies, Procedures and Limits cover the following with regards to Corporate Governance practices:

Management Integrity – The personal ethics and behaviour of Directors and Executive Management are important determinants of stakeholder confidence, the probity and conduct of such persons will always be under close scrutiny by its stakeholders.

Staff competence / support - Staff competence and support are essential for business success. Given that human capital is an important asset, the Bank's ability to harness it to meet its business objectives will enhance reputation. Deficiencies in employment and staff management practices could lead to various problems, including high staff turnover, insufficient staffing, poor service quality, staff incompetence / misconduct, customer complaints and employee disputes. Some of these problems may result in adverse publicity.

Corporate culture - If the corporate culture is seen to inadequately support the achievement of its business objectives and effective risk management, it may arouse stakeholder concerns and result in a loss of confidence. TAJBank therefore promotes a corporate culture where:

- the adoption of ethical and responsible behaviour that can protect and enhance the Bank reputation is encouraged;
- compliance issues or lax control standards are not tolerated; and
- there is an established mechanism for employees to voice concerns if they are aware of any potential threats to reputation (e.g. business malpractices, suspicion of fraud, etc).

Risk identification is critical for the subsequent development of viable reputational risk measurement, monitoring and control. TAJBank has a clear understanding of the main threats to its reputation. These might manifest themselves through sustained negative media coverage and loss of customer confidence. They can be caused by factors such as discrimination in the workplace, unethical practices, marketing failures, or more traditional risks such as product/service failure.

Once the risks have been identified, they are prioritized to help Management determine where to devote effort and resources. This prioritization process are linked to the Bank's existing risk management strategies.

Examining reputational risk for its likelihood and impact is only one side of the coin. The other side requires an assessment of the Bank's ability to avoid the risk or respond to it if it occurs. When the source(s) of reputational risk are mapped, the Bank have established procedures to monitor early warning signs of them occurring or increasing. One of the important listening posts in the Bank is the customer services department. This department is often able to establish early warning signals of a trend occurring before the issue spills over to the public domain. The frequency of monitoring reflects the risks involved and the frequency and nature of changes in the operating environment.

The Bank uses the internet and other social media platforms proactively to provide regular updates to all its important stakeholders.

Below are some of the tools deployed for controlling and mitigating reputational risk:

- **Staff awareness** - The staff are equipped to recognize and assess the reputational implications of each business activity in the regular risk assessment.
- **Evaluating initiatives before launch** - The departments introducing major new services or policies undertake a viability assessment and when approved are monitored by internal control.
- **Using data on complaints or dissatisfaction** - Maintaining and regularly analyzing a log of complaints and other events with reputational implications provide the early warning signs of serious problems, and the data can help guide efforts to mitigate the risks and improve performance. In addition, the Bank also conduct discreet public opinion surveys

on a regular basis to track the public's awareness of its products and services, as well as the public's satisfaction with and support for its policies and services.

- **Implementing codes of conduct** - A code of conduct reflects the core values of the Bank and the expectations of stakeholders and the community at large. Staff training and occasional updating of the code are done regularly.

Chief Compliance Officer's Report:

1. INTRODUCTION

This Compliance Report is prepared as part of the Annual Report of TAJ Bank Limited ("the Bank") for the financial year ending 31st December 2024, in accordance with regulatory requirements set by the Central Bank of Nigeria (CBN) and other applicable regulatory bodies. This report outlines the Bank's compliance framework, key activities, regulatory engagements, and initiatives undertaken to ensure adherence to all relevant laws, regulations, and internal policies.

2. COMPLIANCE FRAMEWORK

The Bank has established a comprehensive compliance framework designed to promote a culture of compliance and ensure that all business activities are conducted in accordance with Shari'ah principles, regulatory requirements, and best industry practices. The framework is structured around the following key components:

- i. **Compliance Governance:** The Board of Directors, through the Board Audit Committee, provides oversight of the Bank's compliance function with direct supervision by a designated executive director as the Executive Compliance Officer (ECO). Within this framework, the Board of Directors of the Bank has put the following in place:
 - An independent Compliance Division with a Chief Compliance Officer (CCO) at C-level who oversees the compliance function, and reports to the Board through the ECO. The Bank provided enough resources (human and material) to the Compliance Division to ensure its effective functioning.
 - An effective and robust whistle-blowing framework, which encourages concerned people to report genuine matters confidentially through active and dedicated media.
 - Annual attestation by all staff to have read and understood the Bank's Code of Conduct and Ethics, Anti Bribery and Corruption Policy, and AML/CFT/CPF Policy with commitment to comply.
 - An Enterprise Risk Management Framework, which provides a larger frame for Compliance Risk Management incorporating AML/CFT/CPF risk management.
 - Profiling of customers, geographies, delivery channels and products & services for exposure to financial crime risks and controls. Based on the outcome of the profiling the Board approves the Bank's financial crime risk appetite.
- ii. **Compliance Policies and Procedures:** A robust set of policies and procedures guides the Bank's operations and ensures compliance with all applicable laws and standards. The design of our compliance policies are guided by the Money Laundering (Prevention and Prohibition) Act 2022; the Terrorism (Prevention and Prohibition) Act 2022; the Central Bank of Nigeria (Anti Money Laundering, Combating The Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Institutions) Regulations 2022, Central Bank of Nigeria (Anti

Money Laundering, Combating The Financing of Terrorism & Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions) Administrative Sanctions Regulation 2023, CBN Customer Due Diligence Regulation 2023, the Financial Action Task Force (FATF) recommendations and other relevant local and international principles and regulations guiding AML, CFT & CPF.

- iii. **Compliance Monitoring and Reporting:** Regular monitoring, testing, and reporting mechanisms are in place to identify, assess, and mitigate compliance risks.
- iv. **Training and Awareness:** Comprehensive training programs are conducted to enhance staff awareness and understanding of compliance obligations.

3. REGULATORY COMPLIANCE ACTIVITIES

During the year under review, the Compliance Department undertook the following key activities:

- i. **Regulatory Filings:** Timely submission of all required regulatory reports to the CBN, Nigeria Deposit Insurance Corporation (NDIC), Nigeria Financial Intelligence Unit (NFIU), Financial Reporting Council of Nigeria (FRC), and other relevant authorities.
- ii. **Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT):** Enhanced AML/CFT measures were implemented, including periodic risk assessments, customer due diligence (CDD), and transaction monitoring.
- iii. **Compliance Audits and Reviews:** Regular internal audits and reviews were conducted to assess adherence to regulatory requirements, with corrective actions taken where necessary.
- iv. **Regulatory Examinations:** The Bank successfully participated in all regulatory examinations conducted by the CBN and NDIC, with no significant findings reported.
- v. **Shari'ah Compliance:** All products and services offered by the Bank were reviewed and certified by the Advisory Committee of Experts and the Financial Regulation Advisory Council of Experts to ensure compliance with Islamic banking principles.

4. KEY COMPLIANCE INITIATIVES

Key initiatives undertaken during the year include:

- i. **Automation of Compliance Processes:** Implementation of advanced compliance management systems for efficient monitoring and reporting.
- ii. **Policy Updates:** Regular updates to compliance policies in line with new regulatory guidelines and industry developments.
- iii. **Staff Training:** Extensive training sessions on regulatory compliance, AML/CFT, data protection, and Shari'ah compliance.

5. COMPLIANCE CHALLENGES AND MITIGATION MEASURES

The Bank faced several compliance challenges during the year, including:

- i. **Regulatory Changes:** The dynamic regulatory environment posed challenges in keeping up with frequent changes. The Bank addressed this through proactive monitoring and swift policy adjustments.
- ii. **Operational Risks:** Operational complexities in implementing new compliance systems were mitigated through comprehensive training and system enhancements.
- iii. **Cybersecurity Risks:** Enhanced cybersecurity measures were implemented to protect sensitive data and ensure regulatory compliance.

6. FUTURE OUTLOOK

Looking ahead, TAJ Bank Limited remains committed to maintaining the highest standards of compliance. Key focus areas for the upcoming year include:

- i. **Enhancing AML/CFT Measures:** Continuous improvement of AML/CFT frameworks and processes.
- ii. **Regulatory Engagement:** Strengthening relationships with regulatory bodies through proactive engagement and transparent reporting.
- iii. **Technology Integration:** Leveraging technology to enhance compliance monitoring and risk management.
- iv. **Staff Capacity Building:** Ongoing training and capacity building to ensure staff are equipped with the latest compliance knowledge.

7. CONCLUSION

The Bank has maintained a strong compliance posture throughout the year, demonstrating its commitment to regulatory adherence, ethical standards, and Shari'ah principles. The Board and Management will continue to prioritize compliance as a critical component of the Bank's operations and strategic objectives.

Signed,



Chief Compliance Officer
Muhammad Kabir Muhammad, PhD

REPORT OF THE DIRECTORS

The Bank's Directors play a crucial role in safeguarding Shareholders' interests, establishing policies for management, and overseeing key decisions within the Bank. The Board is composed of individuals of the highest integrity, demonstrating strong ethical values, innovative thinking, and a commitment to good governance.

Their approach is characterized by trust, transparency, accountability, and social responsibility and by adhering to these principles, the Board ensures that the interests of all stakeholders are protected and that the Bank operates in a manner that is both responsible and effective.

Below are the highlights of the Banks's operating results for the year under review:

TAJBANK LIMITED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2024

The followings are the major financial highlights for the year ended 31 December 2024:

FINANCIAL HIGHLIGHTS			
STATEMENT OF FINANCIAL POSITION			
	31-Dec-2024 N'Million	31-Dec-2023 N'Million	Changes (%)
Total assets	953,098	518,335	84%
Gross earning assets	467,377	271,919	72%
Financing	272,122	144,775	88%
Deposits	696,385	369,337	89%
Total equity	61,250	41,825	46%
INCOME STATEMENT			
	31-Dec-2024 N'Million	31-Dec-2023 N'Million	Changes (%)
Gross earnings	77,540	43,157	80%
Gross expenses	59,375	31,844	86%
Profit before tax (PBT)	18,166	11,313	61%
RATIOS			
	31-Dec-2024 N'Million	31-Dec-2023 N'Million	Changes (%)
Net profit margin	23%	26%	-11%
Cost to income	77%	74%	4%
Return on assets	1.9%	2.2%	-13%
	31-Dec-2024 N'Million	31-Dec-2023 N'Million	Changes (%)
Return on equity	30%	27%	10%
Capital adequacy	10%	13%	-25%
Liquidity	35%	24%	48%

i. Business review and future development

The Bank carried on business as a non-interest commercial Bank within the period under review in accordance with its Memorandum and Articles of Association.

ii. **Directors Fees**

The Board of Directors proposed and presented their fees at the last General Meeting for approval.

iii. **Directors' Interest**

The direct and indirect interests of the Directors in the issued share capital of the Bank as recorded in the register of the Directors' Shareholding and/or as notified by the Directors for the purposes of Section 301 of the Companies and Allied Matters Act, 2020, are stated below:

Number of Shareholding as at 31st December 2024

S/N	Director	Direct	Indirect
1	Alhaji Tanko Isiaku Gwamna	N/A	44,000,000 (Flex Development Co. Ltd)
2	Hajiya Mariam Ibrahim	N/A	1,100,000,000 (Inverness wealth Management Ltd)
3	Hafsatu Lawal Garba	N/A	2,150,000,000 (Lawal Garba)
4	Dr. Nura Manu Soro	1,560,810,811	N/A
5	Mr. Charles I. Ebieng	N/A	N/A
6	Barr. Habib Alkali	828,000,000	N/A
7	Mallam Ahmed A. Joda	110,000,000	N/A
8	Alhaji Tata Shekarau Omar	N/A	N/A
9	Mr. Kogis Jonathan Luka	N/A	N/A
10	Mr. Adekunle James Awe	N/A	N/A
11	Dr. Jameel Muhammad Sadis	N/A	1,100,000,000 (Adama Beverages Ltd)
12	Hamid A. Joda	11,000,000	3,212,000,000 (H&S Investment Ltd)
13	Sherif A. Idi	33,000,000	3,212,000,000 (H&S Investment Ltd)

iv. **Employment and employees**

a. **Employee involvement and training**

The Bank's major assets are their Management, professional and technical staff and the Bank invests in their training, both locally and overseas, as collated during the period under review. Formal and informal channels of communication are employed in keeping staff abreast of various factors affecting the Bank as a going concern.

b. Employment policy

The Bank's recruitment policy is based solely on merit, it does not discriminate against any person on the grounds of Religion, Tribe, or Physical Disability.

c. Health safety and welfare at work

Health and safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Bank provides subsidies to all levels of employees for medical, transportation, lunch, as well as access to recreational facilities to enhance their welfare and improve productivity.

Fire prevention and firefighting equipment are strategically installed throughout the Bank's premises to ensure safety. Additionally, the Bank operates a contributory pension plan in accordance with the Pension Reform Act, providing valuable benefits for its employees.

d. Gender analysis of staff

The average number of male and female employees during the period ended 31st December 2024 is provided below as the Board is committed to gender balance and has thus mandated Management to take the issue of gender balance into cognizance amongst staff and in filling future vacancies:

Male	Female	Total	Percentage
491	269	760	65%:45%

v. Event after reporting period

There are no significant events after the reporting date that could have a material effect on the state of affairs of the Bank as at 31st December 2024.

vi. Shareholding analysis

The shareholding pattern of the Bank as at 31st December 2024 is as stated below:

Share range	Number of shareholders	Percentage of shareholders	Number of holding	Percentage holding
1-10,000	0	0		
10,001-50,000	0	0		
50,001-1,000,000	0	0		
1,000,001-5,000,000	5	14.71%	7,700,000	0.04%
5,000,001-10,000,000	0		-	0.00%
10,000,001-50,000,000	7	20.59%	143,000,000	0.78%
50,000,001-100,000,000	5	14.71%	450,989,189	2.47%
100,000,001-500,000,000	6	17.65%	1,119,918,919	6.14%
500,000,001-1,000,00,000	6	17.65%	4,183,500,000	22.94%
Above 1,000,000,000	5	14.71%	12,334,810,811	67.63%
TOTAL	34	100.0%	18,239,918,919	100.00%

vii. Substantial interest in Shares/Shareholding analysis

The following shareholders held more than 5% of issued share capital of the Bank:

S/No	NAME OF SUBSCRIBER	% HOLDINGS
1	H&S Investments Limited	35.22
2	Mallam Lawal Garba	11.79
3	Nura Manu Soro	8.56
4	Adama Beverages Limited	6.03
5	Inverness Wealth Management Lin	6.03
6	Winslow Logistic Limited	5.08

viii. Declaration of Dividend

The Board recommended a cash dividend payment of 10k for every 1 (one) share held by Shareholders of the Bank subject to approval of the Central Bank of Nigeria.

ix. Donation and sponsorship

The Non-Permissible Income of the Bank was donated to Charity as required.

x. Assets values

Information relating to the Company's Assets is detailed in the notes to the financial statements.

xi. Audit Committee

Pursuant to Section 401 of the Companies and Allied Matters Act, 2020, the Bank has in place an Audit Committee comprising two Shareholders' representatives and directors as follows:

- i. Dr. Abdulkadeer Babangida Njiddah, Ph.D., FCA (Chairman)
- ii. Hajiya Hafsat Magaji Inuwa (Member)
- iii. Alhaji Tata Shekarau Omar (Non- Executive Director)
- iv. Mr. Adekunle James Awe (Non-Executive Director)
- v. Dr. Nura Manu Soro (Non-Executive Director)

The functions of the Audit Committee are as laid down in Section 407 of the Companies and Allied Matters Act, 2020.

xii. Auditors

The Auditors, Messrs. Ahmed Zakari & Co., having indicated their willingness to continue in office will do so in accordance with Section 401(1&2) of the Companies and Allied Matters Act, 2020.

By order of the Board**Amina Usman Toli**

Company Secretariat

TAJBank Ltd

Plot 72, Ahmadu Bello Way, Central Business District, Abuja

Disclosure of customer complaints in financial statements for the year ended 31 December 2024

DESCRIPTION	NUMBER		AMOUNT CLAIMED (NAIRA)		AMOUNT REFUNDED (NAIRA)	
	2024	2023	2024	2023	2024	2023
Pending Complaints b/f	186	32	460,895,566	32,706,676.37	-	-
Received Complaints	4,381	4,167	1,323,438,495.50	3,728,216,290.8	-	-
Resolved Complaints	4308	4309	1,083,468,395.30	3,300,027,400.0	660,731,824.67	2,810,833,236.41
Unresolved Complaints escalated to CBN for Intervention	-	-	-	-	-	-
Unresolved Complaints Pending with the Bank carried forward	259	186	76,494,401.69	460,895,566		-

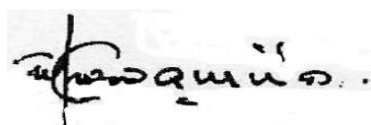
Statement of Directors' responsibilities in relation to the Financial Statements for the year period ended 31 December, 2024

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

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

Going Concern:

The Directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the years ahead. Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the financial statements.

SIGNED ON BEHALF OF THE DIRECTORS BY:

Alh. Tanko Isiaku Gwamna
Chairman

FRC/2022/PRO/DIR/003/990740
24 March 2025



Hamid Joda
Managing Director

FRC/2015/PRO/DIR/003/00000013507
24 March 2025

Report of the Statutory Audit Committee

We have examined the Auditors' report for the year ended 31 December 2024 in accordance with the provision of Section 401(7) of the Companies and Allied Matters Act, 2020.

In our opinion, the Auditors' report is consistent with our view of the scope and planning of the Audit. The External Auditors' findings, as stated in the Management Letter, received satisfactory responses from the Management. We are also satisfied that the Bank's accounting policies are in conformity with the statutory requirements and agreed ethical practices.



Abdulkardeer Babangida Njiddah, Ph.D., FCA
FRC/2013/ICAN/00000003412
Chairman, Statutory Audit Committee
Abuja
24 March 2025

Members of the Statutory Audit Committee

Abdulkardeer Babangida Njiddah, Ph.D., FCA
Hafsah Magaji Inuwa
Tata Shekarau Omar
Adekunle James Awe
Nura Manu Soro

Chairman
Member
Member
Member
Member

ADVISORY COMMITTEE OF EXPERTS' REPORT

In the name of Allah, the Beneficent, the Merciful

Advisory Committee of Experts (ACE)' Responsibility

The ACE exercises an independent oversight function as required by the Central Bank of Nigeria ("CBN") pursuant to the provisions of paragraph 11 of the Guidelines on the Governance of Advisory Committee of Experts for Non-Interest (Islamic) Financial Institutions in Nigeria which is in line with the Banks and Other Financial Institutions Act, 2020. Our responsibility is to express an opinion on the state of Shariah compliance of TAJBank Limited ("the Bank") based on our deliberation of the evidences and information obtained from the Board and Management during the reporting period ended 31 December 2024. We are responsible for endorsement of the Bank's business products towards ensuring that its operations are free from Shariah non-compliance incidences, whether due to fraud or error.

We have conducted our deliberation on the Bank's products in accordance with the regulations issued by the CBN. The regulations require that we comply with ethical requirements, plan and perform the deliberation to obtain reasonable assurance about the state of Shariah compliance of the Bank. We are responsible to review the components of the financial statements which require determination by Shariah, such as disposal of non-permissible income.

Shariah Compliance

In compliance with the letter of appointment, we are required to submit the following report:.

During the full-year period ended 31 December 2024, we have:

1. Reviewed the principles and contracts relating to the transactions and applications introduced by the Bank; and
2. Reviewed the products, processes, activities, transactional documents and contracts entered into and/or offered by the Bank.

We have assessed the works carried out by the Shariah Compliance Review, Shariah Audit and Control, which were conducted by way of examining, on test basis, each type of transaction, the relevant documentations and procedures adopted by the Bank. We note that the reviews and audit were planned and performed to obtain relevant information and explanations which we considered necessary to provide us with enough evidence to give reasonable assurance that the Bank has not violated Shariah rules and principles.

In our opinion, for the full-year period ended 31 December 2024:

1. The products and processes of the Bank that we have reviewed and endorsed during the full-year period ended 31 December 2024, are in conformity with Shariah rules and principles; and

2. The transactions and dealings concluded by the Bank conformed with Shariah rules and principles.

We, the members of ACE of the Bank, to the best of our knowledge, have obtained sufficient and appropriate evidence to form a Shariah-compliant opinion that all Shariah advice issued by us and the ruling of the Financial Regulation Advisory Council of Experts (FRACE) of the CBN have been complied with during the financial period. We also acknowledge that the Board and Management have taken robust measures to strengthen the existing compliance environment to mitigate future Shariah non-compliance.

The Advisory Committee of Experts (ACE) of TAJBank Limited has reviewed the financial statements of the Bank and taken note of the Non-Permissible Income (NPI) declared by the Bank during the review period. The ACE hereby certifies that the declared amount is correct and that the NPI has been disposed by the Bank to the satisfaction of the ACE.

And Allah Knows best.

May Allah's mercy and blessings be upon you.

Date: March 2025



Assoc. Prof. Dr. Ziyaad Mahomed

(Chairman)



Prof. Muhammed Tabiu, SAN

(Member)



Assoc. Prof. Dr. Sa'id Adekunle Mikail

(Member)

Corporate Responsibility for the Financial Statements for the year ended 31 December 2024

In line with the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and the Chief Financial Officer of TAJBank Limited have reviewed the audited financial statements and accept responsibility for the financial and other information within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Bank are hereby provided below:

Financial statements

- a. We have reviewed the audited financial statements of the Bank for the year ended 31 December 2024.
- b. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c. That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Bank as of and for, the year ended 31 December 2024.

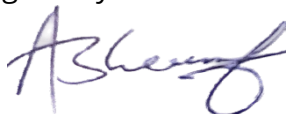
Effective Internal Controls

- a. We are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Bank is made known to us by other officers of the Bank, during the year ended 31 December 2024.
- b. We have evaluated the effectiveness of the Bank's internal controls within 90 days prior to 31 December 2024, and
- c. We certify that the Bank's internal controls are effective as at 31 December 2024.

Disclosures

- a. There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- b. There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarise and report financial data, and have identified for the Bank's auditors any material weaknesses in internal controls; and
- c. There is no fraud that involves management or other employees who have a significant role in the Bank's internal control.

Signed by:



Sherif Idi

Executive Director/ECO

FRC/2020/PRO/DIR/003/00000021933

24 March 2025



Hamid Joda

Managing Director/CEO

FRC/2015/PRO/DIR/003/00000013507

24 March 2025



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAJBANK LIMITED

Opinion

We have audited the financial statements of TAJBank Limited ("the Bank") which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of sources and uses of charity fund for the year then ended, a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of TAJBank Limited as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), the Companies and Allied Matters Act, 2020 and the Banks and Other Financial Institutions Act 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and in compliance with the Financial Reporting Council of Nigeria Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) professional code of conduct and guide for accountants, which is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Partners: Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisa S. Awak | Olanrewaju A. Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P.O. Box 6500, Kano, Nigeria.

Lagos Office: 22B Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, Lagos. P. O. Box 54478, Falomo, Ikoyi, Lagos.

Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja.

E-mail: info@ahmedzakari.com **Url:** www.ahmedzakari.com

Key Audit Matter	How our audit addressed the matter
<p><i>Impairment of Islamic financing and investment assets.</i></p> <p>The expected credit losses on financing and investment assets to customers are considered to be a key audit matter because it requires significant judgement by management in measuring credit risk in line with the Expected Credit Loss (ECL) Model.</p> <p>We focused on this judgmental area because of the significant value of Islamic financing and investment assets and the management make significant judgement and level of subjectivity over the impairment charged.</p> <p>The key areas where significant judgment was exercised by the management includes:</p> <ul style="list-style-type: none"> • Allocation of Islamic financing and investment assets into various stages to reflect the credit risk of the facilities. • Determination of default and the criteria for assessing significant increase in credit risk (SICR) • Determination of 12 month and Lifetime probability of default (PD) used in ECL calculation. • Assumptions used in the ECL model such as financing condition of counterparty, expected future cash flows, forward looking macroeconomic factor. • Techniques that were used to determine the probability of default (PD) and the loss given default (LGD). 	<p>We performed the following audit procedures to assess the adequacy of the Expected Credit Loss (ECL) included in the Bank's financial statements for the year ended 31 December 2024.</p> <ul style="list-style-type: none"> ➤ We reviewed the completeness and accuracy of the data use in the calculation of Expected Credit Loss (ECL). ➤ We examined a sample of exposure and performed procedures to determine whether there is significant increase in credit risk since initial recognition of the facilities to determine credit -impaired facilities. ➤ We check Directors default definition as prescribed by the Standard. ➤ We checked the forward looking information applied by the management in the ECL calculations by comparing to publicly available macroeconomic information. ➤ For exposure determined to be credit impaired, we tested sample of Islamic financing and investment assets and we challenged the estimate and assumptions used by management around the staging criteria and impairment allowance calculation. ➤ We also assessed the accuracy of disclosures in the financial statements to determine if they were in compliance with the requirements of IFRSs.

Other information

The Directors are responsible for the other information which comprises the corporate information, Sustainability report, Directors' report, corporate governance report, statement of Directors' responsibilities, financial highlight, remuneration policy, Board evaluation report, Corporate Responsibility for Financial Statements the audit committee's report, notice of annual general meeting, Chief Executive Officer's statement, the Chairman's statement and other National Disclosures . Other information does not include the financial statements and our audit report.

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

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

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

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act and in accordance with International Financial Reporting Standards, the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and in the manner required by the Companies and Allied Matters Act, 2020 Banks and Other Financial Institutions Act, and relevant Central Bank of Nigeria circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act 2020

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.
- iii) The bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Compliance with the Banks and Other Financial Institutions Act and Central Bank of Nigeria circular BSD/1/2004

- i) Information required on related party transactions and balances are disclosed in note 40 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004.
- ii) The Bank paid penalties in respect of contravention of certain sections of the Bank and Other Financial Institutions Act 2004 and certain circulars issued by the Central Bank of Nigeria during period ended 31 December 2024. Details of these are in note 46 to the financial statements



Nafisa Shehu Awak, FCA
FRC/2018/PRO/ICAN/004/00000018811
For: Ahmed Zakari & Co.
(Chartered Accountants)

25th March, 2025.

Abuja, Nigeria



TAJ Bank Limited

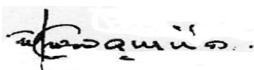
Plot 72, Ahmadu Bello Way
Central Business District, Abuja, Nigeria.



**TAJBANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		2024	2023
	Notes	N'000	N'000
Assets			
Cash and balances with Central Bank of Nigeria	4	235,199,915	110,882,290
Due from banks and other financial institutions	5	78,962,220	25,262,997
Interbank receivables	6	-	3,006,473
Investment in Sukuk	7	135,033,174	64,789,028
Investment in Real Estate Trust scheme & Halal investment trust	8	3,118,497	378,436
Mudarabah Financing, net	9	620,000	
Murabahah receivables, net	10	237,523,091	124,348,133
Istisna' receivables, net	11	5,511,071	7,270,933
Ijarah muntahiyah bittamleek, net	12	29,087,626	13,156,394
Inventory financing	13	56,483,197	58,969,450
Other assets	14	118,682,777	84,004,536
Right of use assets	14a	11,416,317	6,458,248
Property, plant and equipment	15	25,795,839	15,029,006
Leasehold improvement	16	9,549,882	1,400,285
Intangible assets	17	5,734,955	3,378,324
Deferred tax assets	18e	379,906	
Total assets		953,098,465	518,334,533
Liabilities			
Customers' current and qard saving deposits	19	352,778,019	201,639,142
Other financing	20	7,559,599	8,708,884
Other liabilities	21	187,172,732	97,185,917
Tax payable	18a	731,291	866,449
Deferred tax liabilities	18e	-	411,239
Total liabilities		548,241,641	308,811,631
Equity of investment account holders			
Mudarabah investment account holders	22	313,606,582	167,697,602
Mudarabah investment from Other Banks and Financial Institutions	22d	30,000,000	
Total equity of investment account holders		343,606,582	167,697,602
Owners' Equity			
Share capital	23	18,239,919	15,571,000
Share premium	24	996,921	795,840
Sukuk issued (Additional Tier 1 capital)	25	11,359,989	11,359,989
Retained earnings	26	8,654,433	6,036,745
Regulatory risk reserve	27	9,950,190	2,451,385
Statutory reserve	28	10,455,560	4,974,618
AGSMEIS reserves	28	1,431,562	518,071
Profit equalization reserve	28	161,667	117,652
Total equity		61,250,241	41,825,300
Total equity and liabilities		953,098,464	518,334,533

The accompanying notes and other national disclosures form an integral part of these financial statements. The financial statements were approved by the Board of Directors for issue on 24th March 2025 and signed on its behalf by:



Isiaku Tanko Gwamna (Chairman)
FRC/2022/PRO/DIR/003/990740



Hamid Joda (Managing Director/CEO)
FRC/2015/PRO/DIR/003/00000013507

TAJBANK LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	N'000	N'000
Income			
Income from financing contracts	29	40,129,868	22,444,671
Income from investment activities	30	34,919,086	18,676,599
Gross income from financing and investing transactions		75,048,954	41,121,270
Return on equity of investment account holders	31	(24,103,771)	(10,338,779)
Bank's share as a Mudarib		50,945,183	30,782,491
Impairment allowance	32	(1,518,959)	(3,183,861)
Net income after impairment		49,426,224	27,598,630
Other income			
Fees and commission	33	2,491,522	1,817,515
Other operating income	34		217,719
Total income		51,917,746	29,633,864
Operating expenses			
Staff costs	35	9,924,659	6,111,728
Depreciation and amortisation	36	3,300,943	1,845,559
General and administrative expenses	37	20,526,521	10,363,653
Total expenses		33,752,123	18,320,940
Net profit before tax		18,165,623	11,312,924
Income tax (expense)/credit	18b	104,186	(1,129,929)
Net profit for the period after tax		18,269,809	10,182,995
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Total comprehensive income for the period		18,269,809	10,182,995
Earnings per share			
Basic and diluted earnings per share (kobo)		100.16 kobo	65.4 kobo

The accompanying notes and other national disclosures form an integral part of these financial statements.

TAJBank Limited

Plot 72, Ahmadu Bello Way

Central Business District, Abuja, Nigeria.

TAJBANK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Ordinary shares N'000	Share premium N'000	Tier 1 Sukuk N'000	Risk regulatory reserve N'000	Statutory reserve N'000	AGSMEIS reserve N'000	Profit equalizati on reserve	Retained earnings N'000	Total N'000
As at 1 January 2023		13,260,000	795,840		893,457	1,919,719	320,466	44,240	2,301,727	19,535,449
<i>Comprehensive income for the year:</i>										
Profit for the year		-	-	-	-	-	-	-	10,182,995	10,182,995
Total profit for the year		-	-	-	-	-	-	-		
Total comprehensive income		-	-	-	-	-	-	-	10,182,995	10,182,995
Transfers between reserves	27-28	-	-		1,557,928	3,054,899	509,150		(5,121,977)	-
Charged	28b						(311,545)			(311,545)
<i>Transactions with owners:</i>										
Issued during the year	23ii	985,000	-		-	-	-		-	985,000
Scrip dividend to equity holders	26	1,326,000							(1,326,000)	-
<i>Transactions with Mudarib:</i>										
Tier 1 Sukuk issued	25			11,359,989						11,359,989
Transfer during the period	28c							73,412		73,412
As at 31 December 2023		15,571,000	795,840	11,359,989	2,451,385	4,974,618	518,071	117,652	6,036,745	41,825,301
As at 1 January 2024		15,571,000	795,840	11,359,989	2,451,385	4,974,618	518,071	117,652	6,036,745	41,825,301
<i>Comprehensive income for the year:</i>										
Profit for the year		-	-		-	-	-	-	18,269,809	18,269,809
Total profit for the year		-	-		-	-	-	-		
<i>Other Comprehensive income:</i>										
Total comprehensive income		-	-		-	-	-	-	18,269,809	18,269,809
Transfers between reserves	27-28	-	-		7,498,806	5,480,943	913,490		(13,893,239)	-
Charged	28b									-
<i>Transactions with owners:</i>										
Issued during the year	23ii	2,668,919	201,081		-	-	-		-	2,870,000
Dividend to equity holders	26								(1,758,882)	(1,758,882)
<i>Transactions with Mudarib:</i>										
Tier 1 Sukuk issued	25			-						-
Transfer during the period	28c							44,014		44,014
AS AT 31 DECEMBER 2024		18,239,919	996,921	11,359,989	9,950,191	10,455,561	1,431,562	161,667	8,654,432	61,250,242

The accompanying notes and other national disclosures form an integral part of these financial statements.

TAJBANK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	N'000	N'000
Cash flow from operating activities			
Profit before tax for the period		18,165,623	11,312,924
Adjustments for:			
Depreciation	15	2,604,985	1,454,464
Amortisation of leasehold improvement	16	304,796	151,902
Amortisation of intangible assets	17	391,162	239,193
Right of use assets amortisation	37	710,507	564,078
Operating profit before changes in operating assets and liabilities		22,177,074	13,722,562
Working capital adjustment:			
(Increase)/decrease in Interbank receivables	6	3,006,473	(2,744,215)
Increase in investment in real estate & Trust investment scheme	8	(2,740,061)	(378,436)
Increase in Mudarabah Financing	9	(620,000)	
Increase in Murabahah receivables	10	(113,174,958)	(59,032,682)
Decrease /(Increase) in Istisna' receivables	11	1,759,863	(2,982,537)
Increase in Ijarah muntahiyah bittamleek	12	(15,931,232)	(4,525,164)
Increase in Inventory financing	13	2,486,254	(36,620,108)
Increase in other assets	14	(34,678,241)	(72,082,231)
Increase in customers' current accounts	19	151,138,877	85,563,431
Increase in other funding - CACS	20	(1,149,285)	1,425,701
Increase/(decrease) in other liabilities	21	88,271,374	74,607,074
Increase in customers investment accounts	22	145,908,981	121,815,339
Increase in Mudarabah investment with other banks	22d	30,000,000	
Tax paid	18	(822,117)	(517,341)
Net cash generated from operating activities		275,633,000	118,251,392
Investing activities			
Net movement in investment in Sukuk	7	(70,244,145)	(29,486,986)
Additions of property, plant & equipment	15	(13,374,495)	(8,321,296)
Disposal of property, plant & equipment	15	2,678	
Additions to right of use assets	14a	(5,668,576)	(384,282)
Improvement on leasehold properties	16	(8,454,392)	(446,929)
Purchase of intangible assets	17	(2,747,793)	(1,203,483)
Net cash used in investing activities		(100,486,724)	(39,842,976)
Financing activities			
Increase in share capital	23	2,870,000	2,311,000
Sukuk issued	25		11,359,989
Tier 1 Sukuk profit distribution	31	1,715,438.09	(756,295)
Cash/Scrip Dividend paid to equity holders	26	(1,758,881.89)	(1,326,000)
Profit equalization reserve	28	44,014	73,412
Net cash used in financing activities		2,870,571	11,662,106
Increase/(decrease) in cash and cash equivalents		178,016,847	90,070,522
Cash and cash equivalents at beginning of the year		136,145,287	46,074,765
Cash and cash equivalents at the end of the year	5(ii)	314,162,134	136,145,287

The accompanying notes and other national disclosures form an integral part of these financial statements.

TAJBANK LIMITED
STATEMENT OF SOURCES AND USES OF CHARITY
FUND
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	N'000	N'000
Sources of Charity Funds		
Opening balance	16,514	33
Non-permissible income	21,504	16,732
Total Sources of Charity funds	38,018	16,765
Uses of Charity funds		
Transfer/used for charity	(37,502)	(251)
Total uses of funds during the year	(37,502)	(251)
Balance at closing	516	16,514

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**1. Reporting entity**

TAJBank Limited (the "Bank") is the second full fledged non-interest financial institution in Nigeria. The Bank was incorporated as a private limited liability company on 1 February, 2019 and obtained a license to carry on the business of non-interest banking. The Bank commenced operations on 2 December, 2019 with two branches one in Kano state and the other in Federal Capital Territory. The Bank was issued a National Banking license by the Central Bank of Nigeria on 19 July 2022. The address of the Bank's registered office is Plot 72, Ahmadu Bello Way, Central Business District, Abuja, Nigeria. These financial statements were approved and authorized for issue by the Board of Directors on March 2025. The Directors have the power to amend and issue the financial statements.

2. Basis of preparation**a Statement of compliance with International Financial Reporting Standards**

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). For matters on which no IFRS Standard is applicable or IFRS conflicts with Shari'ah rules and principles, the Bank uses the relevant Financial Accounting Standard as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Shari'ah rulings as determined by the CBN Financial Regulation Advisory Council of Experts (FRACE) and the Advisory Committee of Experts (ACE) of the Bank.

b Functional and presentation currency

The Bank presented its financial statements in its functional currency the Nigeria Naira. All financial information presented have been rounded to the nearest thousands of Naira (N'000) except where otherwise stated.

2.1 Basis of measurement

The Bank's financial statements are to be prepared under the historical cost convention, and may be modified by their valuation of certain investment securities, property, plant and equipment. Financial statements are to be prepared mainly in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For matters that are peculiar to Islamic Banking and Finance, the Bank shall apply the Statement of Financial Accounting ("SFA") and Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Standards issued by the Islamic Financial Services Board ("IFSB") and Circulars issued by the Central Bank of Nigeria ("CBN") shall also be of guidance. Except for the following

- . Financial assets/liabilities that are subsequently measured at amortised cost.
- . Financial assets/ liabilities that are subsequently measured at fair value through profit or loss.
- . Financial assets/liabilities that are subsequently measured at fair value through other comprehensive income.
- . Equity investments are subsequently measured at fair value through profit or loss

2.2 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and core assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in this financial statements are described as follows:

Property, plant and equipment

The management's estimate is used in determining the depreciation rates and useful lives of these assets at the end of the period. Further details of property, plant and equipment are disclosed in Note 14.

Impairment on financial assets

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

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

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

Detailed information about the judgements and estimates made by the Bank are disclosed in note 36.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Details of the Bank's recognised deferred tax assets and liabilities are as disclosed in note 18.

**TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2.3 New and revised standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial period except as noted below which became effective 1 January 2024. Adoption of the standard did not result in changes in the amounts previously recognised in the financial statements. However the standard affected disclosures of the Bank.

a Standards and interpretations effective during the reporting period**i Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current**

IAS 1 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

ii IFRS 16 Lease Liability in a Sale and Leaseback

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 Paragraph 100(a) requires a seller-lessee to measure the right-of use asset arising in a sale and leaseback transaction, the seller-lessee recognises only the amount of any gain or loss that relates to the right of use it retains. However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full termination of a lease. The amendment is not expected to have any significant impact on the Bank at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback within the Bank or with external parties.

iii IAS 7 & IFRS 7 Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of cash flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. As a result, suppliers finance arrangements provide the entity with extended payment items, or the entity's suppliers with early payment terms, compared to the original payment due dates.

b Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are to become effective for annual periods beginning on or after 1 January 2024:

Standard	Content	Effective date
IAS 21	Lack of Exchangeability	1 January, 2025
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments	1 January, 2026
IFRS 18	Presentation and Disclosure in financial statements	1 January, 2027

i IAS 21 Lack of Exchangeability

In August 2023, the Board issued Lack of Exchangeability. The amendment clarifies when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The Bank is currently undertaking assessment of the potential impact, which is not expected to be significant.

ii Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later.

The Bank is currently evaluating the impact of this amendment on its financial statements.

iii IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the Board issued Presentation and disclosure in financial statement. The amendment sets out significant new requirement for how financial statements are presented, with particular focus on:

The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss

Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements

Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss').

The Bank is currently evaluating the impact of this amendment on its financial statements.

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies****a Transactions in foreign currencies**

The financial statements are presented in Nigerian Naira, which is the reporting currency in line with IAS 21 (Effects of foreign exchange) Transactions in foreign currencies are recorded in the books at the rate of exchange ruling on the date of the

Monetary assets and liabilities denominated in foreign currencies are converted into Naira at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated into Naira using the exchange rates as at the dates of the initial recognition. Non-monetary items measured at fair value in a foreign currency are translated into Naira using the exchange rates at the date when the fair value is determined. Exchange gains and losses on non-monetary items classified as "fair value through statement of income" are taken to the income statement and for items classified at "fair value through equity" such differences are taken to the statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

b Cash and cash equivalents

- i) Cash in hand
- ii) Balance held with Central Bank of Nigeria
- iii) Balance with banks in Nigeria and outside Nigeria
- iv) Demand deposit denominated in Naira and other foreign currencies

Cash equivalent are short term, highly liquid instruments which are:

- i) readily convertible into cash, whether in local and foreign currencies; and
- ii) so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in profit rates.

c Financial instruments**i Recognition and initial measurement**

All the financial assets and financial liabilities of the Bank are initially recognised on the trade date for regular way contracts, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in income statement at initial recognition.

ii Classification and measurement

Financial asset or liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in income statement at initial recognition.

Financial assets are classified into one of the following measurement categories:

- those to be measured at amortised cost.
- those to be measured at fair value through other comprehensive income.
- those to be measured at fair value through profit or loss.

The classification depends on the Bank's business model (i.e. business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and return – SPPI test).

Debt instruments**Amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- i The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and return on the principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in income statement when the asset is derecognised or impaired. Returns from these financial assets is determined using the effective rate of return (ERR) method and reported in income statement as 'income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal payments, plus or minus the cumulative amortisation using the 'effective rate of return method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective rate of return method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the income or expense over the relevant period. The effective rate of return (ERR) is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**3 Accounting policies (continued)****c Financial instruments (continued)****Business model assessment**

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- i The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual return revenue, maintaining a particular return rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- ii How the performance of the portfolio is evaluated and reported to management;
- iii The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- iv How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- v The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised

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

Assessment of whether contractual cash flows are solely payments of principal and return

The Bank assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are payments of principal or amortization of the premium/discount). 'Return' is the consideration for the time value of sales and mark up and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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

Financial liabilities

The Bank's holding in financial liabilities is in financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same financier on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial liabilities held for trading also include obligations to deliver financial assets bought by the Bank.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Return expenses on financial liabilities held for trading are included in 'Net income'.

ii Financial liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks or customers, debt securities in issue for which the fair value option is not applied, convertible Sukuk and subordinated debts.

Modifications of financial assets and financial liabilities**i Financial assets**

When the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in income statements as 'gains and losses arising from the derecognition of financial assets measured at amortised cost'.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**3 Accounting policies (continued)**
Business model assessment (continued)**Financial assets (continued)**

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective rate of return (or credit-adjusted effective rate of return for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in income statement as part of impairment charge for the year.

ii Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate of return, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in income statement. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Impairment of financial assets

The Bank recognizes allowance for expected credit losses for all financing and other debt financial assets not held at FVPL, together with financing commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss (12mECL).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financing facilities into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1: When financings are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financing also includes facilities where the credit risk has improved and the financing has been reclassified from Stage 2.

Stage 2: When a financing has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 financing also includes facilities, where the credit risk has improved and the financing has been reclassified from Stage 3.

Stage 3: Financing considered credit-impaired. The Bank records an allowance for the LTECLs

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and return is subsequently recognised based on a credit-adjusted ERR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime 2 or stage 3 of the ECL bucket, the Bank would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-month ECL (Stage 1). In addition to the 90 days probationary period above, the Bank also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-years ECL (Stage 1).

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies (continued)****Impairment of financial assets (continued)****The calculation of ECLs**

The Bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the expected profit rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including payments of principal and return, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued return from missed payments

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

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs.

When relevant, the assessment of multiple scenarios also incorporates how defaulted financing are expected to be recovered, including the probability that the financing will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

Stage 2: When a financing has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR

Stage 3: For financing considered credit-impaired, the Bank recognises the lifetime expected credit losses for these financing. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The mechanics of the ECL method are summarised below:

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

Financing commitments and letters of credit: When estimating LTECLs for undrawn financing in cash flows if the financing is drawn down, based on a probability-weighting of the four scenarios commitments, the Bank estimates the expected portion of the financing commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls. The expected cash shortfalls are discounted at an approximation to the expected EIR on the financing.

Forward looking information

The Bank's expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

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

- GDP growth
- Unemployment rates
- Exchange rate
- House price indices
- Inflation
- Crude Oil prices

To evaluate a range of possible outcomes, the Bank formulates three scenarios: a base case, an upward and a downward scenario

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

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies (continued)****Impairment of financial assets (continued)****Definition of default and credit impaired financial assets**

The Bank considers a financial asset to be in default when:

- it is established that due to financial or non-financial reasons the customer is unlikely to pay its financing obligations to the Bank in full without recourse by the Bank to actions such as realising security (if any is held);
 - the customer is past due 90 days or more on any material financing obligation to the Bank
- In assessing whether a customer is in default, the Bank considers indicators that are
- i qualitative - e.g. material breaches of covenant;
 - ii quantitative - e.g. overdue status and non-payment on another obligation of the same customer/customer group to the banks; and
 - iii based on data developed internally and obtained from external sources
 - iv Disappearance of an active market for a security because of financial difficulties
 - v Others include death, insolvency, breach of covenants, etc.

Inputs into the assessment of whether a financing exposure is in default and their significance may vary over time to reflect changes in circumstances.

Renegotiated financing facilities

Where possible, the Bank seeks to restructure/reschedule financing facilities rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new conditions. Management continually reviews renegotiated facilities to ensure that all future payments are highly expected to occur.

When the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the finance customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

This amount is included in calculating the cash shortfalls from the existing financial asset. The cash shortfalls are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Presentation of allowance for ECL in the statement of financial position

Financing allowances for ECL are presented in the statement of financial position as follows

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Financing commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the financing commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

Presentation of allowance for ECL in the statement of financial position (continued)

- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Bank's accounting policy for collateral assigned to it through its financing arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or shall be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Accounting policies (continued)**Impairment of financial assets (continued)****Write-off**

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

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

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

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only

d Property plant and equipment

The Bank recognizes items of property, plant and equipment at the time the cost is incurred. They are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the income statement 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 fixed assets. Payments in advance for items of fixed assets are included as Prepayments in Other Assets and upon delivery are reclassified as additions in the appropriate category of property and equipment.

Depreciation

Depreciation is to be provided on a straight-line basis to write off the cost of asset over their estimated useful live. The annual rate which should be applied consistently over time are as follows:

Motor vehicle	(6 years)
Furniture and fittings	(6 years)
Equipment	(6 years)
Computer Equipment- Ge	(6 years)
Computer software	(10 years)
Freehold Buildings	(50 years)
Other Depreciable Assets	(2 years)
Leasehold building	over the expected life of the lease
Right of use assets	Lower of lease term or the useful life for the specified class of item
Leasehold improvement	over the expected life of the lease

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from it use. Gain and losses are recognised in the income statement.

Depreciation is charged when the assets are available for use irrespective of whether they are put to use. 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 fair value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of income for the year.

e Intangible assets

Software licenses acquired by the Bank are stated at cost less accumulated amortization and accumulated impairment loss (if any). Expenditure incurred on internally developed software is recognized as an asset when the Bank is able to complete the software development and use it in such a manner that it will be able to generate economic benefit to the Bank, and that the cost to complete the development can reliably be measured by the Bank.

Internally developed software cost that is capitalized includes cost directly attributable to developing the software, and is amortized over the useful economic life of the software.

Amortization is recognized in the income statement on a straight line basis over the estimated useful life of the software.

f Inventory

Inventory of stationery and consumables held by the Bank are to be stated at the lower of cost and net realizable value in line with IAS 2. When inventories become old or obsolete, an estimate is to be made of their net realizable value. For individually significant amounts, this estimation is to be performed on an individual basis. For amounts that are not individually significant, collective assessment shall be made and allowance applied according to the inventory type and degree of ageing or obsolescence based on historical selling prices.

**TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies (continued)****g Islamic financing and investing contracts**

The Bank engages in Shari'ah compliant Islamic banking activities through various Islamic instruments such as Ijarah, Murabahah, Mudarabah, Musharakah, Istisna' and Wakalah.

i Ijarah

The Bank shall comply fully with the requirements of Shari'ah in recognition and measurement of Ijarah financing. The periodic lease rentals receivable are treated as rental income during the period they occur and charge thereon is included in operating expenses while initial direct cost incurred are written off to the income statement in the period they are incurred.

ii Murabahah receivables from banks

These are interbank commodity murabahah transactions. The Bank arranges a murabahah transaction by buying a commodity (which represents the object of the murabahah) and then resells this commodity to the beneficiary mushtari/buyer (after computing a profit margin). The sale price (cost plus the profit margin) is paid either lump sum at maturity or in installments by the mushtari/buyer over the agreed period. Murabahah receivables from banks are stated net of deferred profits and provision for impairment, if any.

iii Murabahah receivables from customers

Customer Murabahah receivables consist of deferred sales transaction agreements and are stated net of deferred profits, any amounts written off and provision for impairment, if any. Promise made in the murabahah to the purchase orderer is obligatory upon the customer and the Bank can claim damages to the exact amount of loss suffered

iv Musharakah

Musharakah contracts represents a partnership between the Bank and a customer whereby each party contributes to the capital in equal or varying proportions to establish a new project or share in an existing one, and whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have a share of profits or losses. These are stated at the fair value of consideration given less any amounts written off and provision for impairment, if any.

v Istisna'

Istisna' contract is a sale of specified items to be manufactured or constructed, with an obligation on the part of the manufacturer or builder to deliver them to the customer upon completion.

vi Wakalah

A contract between the Bank and a customer whereby one party (the principal: the Muwakkil) appoints the other party (the agent: Wakil) to invest certain funds according to the terms and conditions of the Wakalah for a fixed fee in addition to any profit exceeding the expected profit as an incentive for the Wakil for the good performance. Any losses as result of the misconduct or negligence or violation of the the terms and conditions of the Wakalah are borne by the Wakil for otherwise, they are borne by the principal.

vii Sukuk

Certificates which are equal in value and represent common shares in the ownership of a specific physical asset (leased or to be leased either existing or to be constructed in future), or in the ownership of cash receivables of selling an existing-owned asset, or in the ownership of goods receivables, or in the ownership of the assets of Mudarabah or Musharakah business. In all these cases, the Sukuk holders shall be the owners of their common shares in the leased assets, or in the cash receivables, or the goods receivable, or in the assets of the Musharakah or the Mudarabah. These comprise asset backed and assest based, Shari'ah compliant trust certificates.

viii Qard hasan

This is a non profit credit facility whereby the customer receives funds for a period of time with an understanding that the same amount shall be repaid at the end of the agreed period.

h Income recognition

The Bank recognised income on Shari'ah compliant Islamic banking activities through various Islamic instruments such as Ijarah, Murabahah, Mudarabah, Musharakah, Istisna' and Wakalah.

i Ijarah

Ijarah income is recognized on a time-apportioned basis, over the lease term. Accrual of income is suspended when the Bank believes that the recovery of these amounts may be doubtful.

ii Murabahah

Where the income is quantifiable and contractually determined at the commencement of the contract, income is recognized on a time-apportioned basis over the period of the contract based on the principal amounts outstanding. Accrual of income is suspended when the Bank believes that the recovery of these amounts may be doubtful.

iii Musharakah

Income on Musharakah contracts is recognized when the right to receive payment is established or on distribution by the Musharek.

iv Wakalah

Estimated income from Wakalah is recognised on an accrual basis over the period, adjusted by actual income when received. Losses are accounted for on the date of declaration by the agent.

v Sukuk

Income is accounted for on a time apportioned basis over the terms of the Sukuk.

**TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies (continued)****g Islamic financing and investing contracts (continued)****vi Fees and commission income**

Unless included in the effective rate of return calculation, fees and commissions are recognised on an accruals basis (i.e. when earned) as the service is provided. Fees and commissions not integral to effective rate of return arising from negotiating, or participating in the negotiation of, a transaction from a third party, such as the acquisition of facilities, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service

vii Dividend

Dividends from investments in equity securities are recognized when the right to receive the payment is established. This is usually when the dividend has been declared.

viii Non-credit related fee income

This is recognized at the time the services have been performed and delivered or the transaction has been completed.

ix Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the Bank considers whether the contract comprises:

- Contract to construct a property; or
- Contract for the sale of completed property

Where a contract is judged to be for the construction of a property, revenue is recognized using the percentage of completion method, as construction progresses. The percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Where the contract is judged to be for the sale of a completed property, revenue is recognized when the significant risks, rewards and control of ownership of the property are transferred to the buyer.

Revenue from rendering of services is recognized when the services are rendered

xii Revenue from sale of goods

Revenue from sales of goods is recognized when the significant risks, rewards and control of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

xiii Bank's share as a mudarib

The Bank's share as a mudarib for managing the equity of investment account holders is accrued based on the terms and conditions of the related mudarabah agreements whereas, for off balance sheet equity of investment accounts, mudarib share is recognized when distributed.

i Expense recognition**a Profit on mudarabah payable (banks and non-banks)**

Profit on this payable is accrued on a time-apportioned basis over the period of the contract based on the expected profit over the principal amounts outstanding.

b Return on equity of investment accountholders

Return on equity of investment account holders is based on the income generated from jointly financed assets after deducting Mudarib share and is accrued based on the terms and conditions of the underlying Mudarabah agreement. Investors' share of income represents income generated from assets financed by investment account holders net off allocated administrative expenses and provisions. The Bank's share of profit is deducted from the investors' share of income before distribution to investors.

j Taxation**a Current income taxation**

Income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with current statutory rate. Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which the related profits arise. All taxes related issues including deferred tax are treated in accordance with IAS 12 (Income taxes).

b Deferred taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the temporary differences between the net book value of qualifying fixed assets and their corresponding tax written down value in accordance with IAS 12 (Income taxes). The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for Investment losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date 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.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Accounting policies (continued)

k Investment

i Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through profit or loss or fair value through other comprehensive income.

ii Investments in subsidiaries

Investments in subsidiaries are reported at cost less any impairment (if any).

A subsidiary not consolidated but is classified as 'held for sale' if it is available for immediate sale in its present condition and its sale is highly probable. A sale is 'highly probable' where: there is evidence of management commitment; there is an active programme to locate a buyer and complete the plan; the asset is actively marketed for sale at a reasonable price compared to its fair value; the sale is expected to be completed within 12 years of the date of classification; and actions required to complete the plan indicate that it is unlikely that there will be significant changes to the plan or that it will be withdrawn.

l Employee benefits

i Defined contribution plans

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to a separate entity. The rate of contribution by the Bank and its employee is 10% and 8% respectively of basic salary, housing and transport allowance in line with the new Pension Reform Act, 2014. The Bank has no legal or constructive obligations to pay further contributions membership of the scheme is automatic upon resumption of duty with the Bank. The Bank has no further payment obligations once the contributions have been paid to Pension Fund Administrators (PFA).

The Bank's liabilities in respect of the defined contribution are to be charged to statement of profit or loss for the year in which they become payable. Payments are made to Pension Fund Administrator (PFA) are financially independent of the Bank.

ii Termination Benefits

Termination benefits will be payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. Such benefits shall also include any other relevant expenses like (Repurchase, Financing and Others) that may incur on the happening of such

m Provisions

A provision is recognised if, as a result of a past event, the Bank 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. Where the effect of time value of money is material, 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.

n Financial guarantees and financing commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. After initial recognition, guarantee contracts are subsequently measured at the higher of:

i The amount of the loss allowance, and

ii The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Financial guarantees, principally consisting of letters of credit are included within other liabilities.

Financing commitments are firm commitments to provide credit under pre-specified terms and conditions. The Bank recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

Transactions that are not currently recognized as assets or liabilities in the balance sheet, but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions included letters of credit, bid bonds, guarantees, acceptances, trade related contingencies such as documentary credits etc.

Outstanding and unexpired commitments at period end in respect of these transactions are to be shown by way of note to the financial statements.

o Financing

i Murabahah and due to banks

This represents funds received from banks on the principles of murabahah contracts and are stated at fair value of consideration received less amounts settled.

ii Murabahah and due to non-banks

These are stated at fair value of consideration received less amounts settled. Profit paid on financing contract is recognized in the statement of income for the year.

p Fiduciary activities

The Bank acts as trustee in its capacity as a Mudarib when managing the equity of investment account holders. Equity of investment account holders is invested in mudarabah and due from banks, sukuk and financing contracts with customers. Equity of investment account holders is carried at fair value of consideration received less amounts settled.

Expenses are allocated to investment accounts in proportion of average equity of investment account holders to total Income is allocated proportionately between equity of investment account holders and owners' equity on the basis of the average balances outstanding during the year and share of the funds invested. Equity and assets of restricted investment account holders are carried off-balance sheet as they are not assets and liabilities of the Bank.

**TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Accounting policies (continued)****q Segment reporting**

The Bank prepares its segment information based on geographical and business segments as primary and secondary reporting segments, respectively in accordance with IFRS 8 (Operating segments).

A business segment is a bank of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

q Segment reporting

The Bank has appointed the Management committee charged with the responsibility of allocating resources and assessing performance as the Chief Operating Decision Maker as required under IFRS 8. The CODM is reviewed and advised by the Board for decisions on significant transactions and or events.

r Customer deposit

The Bank is required to maintain specific records for all the classes of deposits.

The average daily balances for a particular month of all the classes of deposits will be used in the computation of the profitability of the Bank.

The average daily balances of each Investment Account holder depositor will also be the basis for the distribution of profits to the depositor.

All deposits accepted by the Bank shall only be utilised in the provision of finances, investment in securities, inter-bank placements and other business prescribed by CBN that complies with the Shari'ah requirement. All division must ensure that all investments complying with the Shari'ah.

s Investment property

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 Bank. 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.

The initial recognition is to be at its cost price while for subsequent measurement the Bank adapted the fair value model which carry the investment properties in the balance sheet at their market value and revalued periodically on a systematic basis at least once in every three years in accordance in (IAS 40). Investment properties are not subject to periodic charge for depreciation.

When there is a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the statement of income. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Bank's 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 statement of income.

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

Investment properties are disclosed separate from the property and equipment used for the purposes of the business in line with IAS 40 (Investment Properties).

t Share capital and reserves**i Share issue cost**

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

ii Dividend on ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity when approved by the Bank's shareholders.

Dividends for the period that are declared after the end of the reporting period are dealt with in the subsequent events

The dividend shall be declared after all regulatory requirements fulfilled.

iii Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

iv Statutory reserve

The banking regulations in Nigeria require the Bank to make an annual appropriation to a statutory reserve. As stipulated by Section 15(1) of the Banks and Other Financial Institutions Act 2020, an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

iv AGSMIES reserve

The AGSMIES reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside 5% of their annual profit after tax for equity investments in permissible activities.

v Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Accounting policies (continued)

vi Regulatory risk reserve

The regulatory risk reserve represents the difference between the impairment on financing and investments determined using the prudential guidelines issued by the Central Bank of Nigeria compared with the expected credit loss model used in determining the impairment loss allowance under IFRSs.

Where the financing loss impairment determined using the prudential guidelines is greater than the financing loss impairment determined using the expected credit loss model under IFRSs, the difference is transferred to regulatory risk reserve. When the prudential provisions is less than IFRS provisions, the excess charges resulting is transferred from the regulatory risk reserve to retained earnings to the extent of the non-distributable reserve previously recognised. This reserve is not available for distribution to shareholders.

u Earnings per share

The Bank presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

v Investment risk reserve (IRR)

This is the amount appropriated by the Bank out of income of investment account holders, after allocating the Mudarib share, in order to cater against future losses for investment account holders. The balance of IRR at the end of reporting period is disclosed under the equity of Investment Accounts Holders in the statement of financial position.

w Profit equalisation reserve (PER)

PER refers to the amount appropriated out of the total gross income to mitigate the undesirable fluctuation of income and to maintain a certain level of returns to the depositors. This amount shall be appropriated from the profits earned from the commingled pool of assets before the allocation to UIAHs and Mudarib (the Bank).

The balance of PER which relates to IAHS at the end of reporting period is disclosed under the equity of Investment Accounts Holders while PER of the Bank is classified as a separate reserve in equity in the statement of financial position.

x Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 Cash and balances with Central Bank of Nigeria	2024	2023
	N '000	N '000
Cash in hand	11,610,436	2,628,512
Current account with CBN	65,379,700	21,143,796
Cash reserve requirement	158,199,800	87,100,004
CBN promissory note	-	-
E- Naira CBN account	9,978	9,978
	223,589,478	108,253,778
Closing balance	235,199,915	110,882,290

The Bank is required to maintain statutory reserve deposits (as prescribed by the CBN) and are not available for use in the Bank's day-to-day operations. Cash in hand constitutes the aggregate cash balances in the vaults of the Bank branches.

5 Due from banks and other financial institutions		
Balances with banks within Nigeria:		
Current balances with banks	13,763,369	7,192,120
	13,763,369	7,192,120
Balances with banks outside Nigeria:		
Current account balances with banks	65,198,850	18,070,877
	65,198,850	-
		18,070,877
Closing balance	78,962,220	25,262,997

i The balances held with banks within Nigeria substantially represent amounts available for the day to day operations of the Bank and the balance outside Nigeria is

ii Cash and cash equivalents for the purposes of the statements of cash flows include the following :

Cash	11,610,436	2,628,512
Due from Central Bank of Nigeria	223,589,478	108,253,778
Due from other banks	78,962,220	25,262,997
Closing balance	314,162,134	136,145,287

6 Interbank receivables		
Interbank Mudarabah	-	3,000,000
Accrued profit receivables	-	6,473
Closing balance	-	3,006,473

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7 Investment in Sukuk	2024	2023
	N '000	N '000
Opening balance	60,113,576	32,279,315
Addition during the year	105,800,000	40,240,267
Disposal/Redemption	(51,707,309)	(12,406,006)
	114,206,267	60,113,576
Corporate and State Sukuk		
Opening balance	909,329	549,833
Addition during the year	-	359,496
Redemption	(55,474)	-
Gross investment in Sukuk	115,060,123	61,022,905
Premium	17,583,289	3,411,502
Rental receivable	2,389,762	354,621
Closing balance	135,033,174	64,789,028

During the period, the Bank invested N105.8 Billion in Sukuk issued by the Federal Government of Nigeria (FGN) through secondary market. The rental payment is semi-annual while the principal redemption is a bullet payment on maturity 10 years tenor due in 2033 at a return of 15.75%.

8 Investment in Real Estate & Halal Investment Trust		
Opening balance	378,436	-
Addition during the year	-	378,436
	378,436	378,436
Halal Investment Trust		
Opening balance	-	-
Addition during the year	2,500,000	-
	2,500,000	-
Accrued profit on investment	240,061	-
Closing balance	3,118,497	378,436

During the period, the Bank invested N2.5 Billion in AVA Trustees Limited Private Halal investment Trust issued by AVA Trustees Limited through offer for subscription. Profit Payment is distributions to unitholders at 90% of net income.

9 Mudarabah Financing, net		
Mudarabah Financing	620,000	-
Closing balance	620,000	-
10 Murabahah receivables, net		
Murabahah corporate	251,037,519	126,472,925
Murabahah home	916,820	69,881
Murabahah Retail	8,365,939	7,170,912
Murabahah CBN DCRR	3,105,696	3,291,998
Murabahah- CBN CACS	1,146,578	1,441,397
Murabahah CBN RSSF	2,184,038	2,279,047
Gross receivable	266,756,590	140,726,159
Allowance for impairment	(4,477,185)	(2,683,017)
Deferred profit	(24,756,315)	(13,695,010)
Closing balance	237,523,091	124,348,133

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	N '000	N '000
11 Istisna' receivables, net		
Istisna' receivable	2,437,721	5,008,995
Istisna' receivable - CBN DCRR	1,359,435	1,430,984
Istisna' receivable - CBN RSSF	2,783,028	2,783,028
Gross receivable	6,580,185	9,223,007
Allowance for impairment	(73,408)	(113,460)
Deferred profit	(995,706)	(1,838,614)
Closing balance	5,511,071	7,270,933
12 Ijarah muntahiyah bittamleek, net		
Ijarah muntahiyah bittamleek - Retail	1,044,011	356,406
Ijarah muntahiyah bittamleek - Corporate	22,448,695	9,440,094
Ijarah of Service - CBN CACS	67,178	70,248
Ijarah of Service	2,828,942	2,992,941
Gross investment in Ijarah	26,388,825	12,859,689
Ijarah accrued profit	3,110,993	1,031,815
Allowance for impairment	(157,343)	(556,236)
Deferred profit (Ijarah)	(254,849)	(178,874)
Closing balance	29,087,626	13,156,394
13 Inventory financing		
Inventory financing	53,105,197	53,102,342
Inventory accruals	3,378,000	5,867,108
Closing balance	56,483,197	58,969,450
14 Other assets		
Branch development	27,600,750	17,904,209
Prepayment	2,395,028	1,163,263
Account receivables	77,258,778	20,688,736
Settlement suspense	10,926,828	44,025,432
CBN FX Bid account	-	9,101
Inventory (card & others)	501,393	213,795
Closing balance	118,682,777	84,004,536
14a Right of use assets		
Opening balance	7,357,196	6,972,914
Acquisitions	5,668,576	384,282
Closing balance	13,025,772	7,357,196
Amortisation		
Opening balance	898,948	334,870
Amortisation	710,507	564,078
Closing balance	1,609,455	898,948
Carrying amounts		
Closing balance	11,416,317	6,458,248

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
15 Property, Plant and Equipment

	Freehold Land	Freehold Building	Office Equipment	Motor Vehicle	Furnitures and Fixtures	Computer Equipment	Other Depreciabl e asset	Fixed Assets WIP	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance at 1 January 2023	496,250	2,095,020	2,493,293	865,335	371,624	2,334,318	10,197	1,055,263	9,721,299
Additions	179,043	1,475,683	2,095,338	1,278,816	950,655	1,268,866	42,364	1,030,532	8,321,296
Reclassification	-	(750)	(91,150)	-	-	-	-	-	(91,900)
Disposal	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	675,293	3,569,953	4,497,481	2,144,151	1,322,279	3,603,183	52,561	2,085,795	17,950,695
Balance at 1 January, 2024	675,293	3,569,953	4,497,481	2,144,151	1,322,279	3,603,183	52,561	2,085,795	17,950,695
Additions	- 547,043	151,031	4,663,395	1,542,673	1,608,944	1,672,457	174,660	4,108,378	13,374,495
Reclassification	-	-	16,254	-	-	(16,254)	-	-	-
Disposal	-	-	-	(11,340)	-	-	-	-	(11,340)
Balance at 31 December 2024	128,250	3,720,983	9,177,131	3,675,484	2,931,223	5,259,386	227,221	6,194,173	31,313,851
Depreciation and Impairment losses									
Balance at 1 January 2023	-	50,923	414,908	231,287	122,175	647,932	-	-	1,467,225
Charge for the year	-	60,693	576,949	216,723	103,094	478,066	18,939	-	1,454,464
Adjustment	-	-	(10,880)	640	-	10,240	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	-	111,616	980,977	448,649	225,269	1,136,238	18,939	-	2,921,689
Balance at 1 January 2024		111,616	980,977	448,649	225,269	1,136,238	18,939	-	2,921,689
Charge for the year	-	1,464	1,009,018	456,988	393,214	714,880	32,349	-	2,604,985
Adjustment	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	(8,663)	-	-	-	-	(8,663)
Balance at 31 December 2024	-	110,153	1,989,994	896,975	618,483	1,851,118	51,288	-	5,518,012
Carrying amounts									
Balance at 31 December 2023	675,293	3,458,336	3,516,505	1,695,502	1,097,009	2,466,945	33,622	2,085,795	15,029,006
Balance at 31 December 2024	128,250	3,610,831	7,187,136	2,778,508	2,312,740	3,408,268	175,933	6,194,173	25,795,839

TAJBANK LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

			31 December 2024	31 Decembe 2023	
16 Leasehold improvement	Cost		N '000	N '000	
	Opening balance		1,831,861	1,384,932	
	Addition		8,454,392	446,929	
	Closing balance		10,286,254	1,831,861	
	Amortisation and impairment losses				
	Opening balance		431,576	279,674	
	Adjustments		-	-	
	Amortisation		304,796	151,902	
	Closing balance		736,372	431,576	
Carrying amounts					
Closing balance		9,549,882	1,400,285		
17 Intangible assets		Software (WIP)	Software	Total	
		31 December 2024	31 December 2024	31 December 2024	31 Decembe 2023
	Cost	N'000	N'000	N'000	N'000
	Opening balance	761,411	3,251,905	4,013,316	2,234,534
	Addition	1,135,953	1,611,840	2,747,793	1,778,782
	Reclassification	-	-	-	-
	Closing balance	1,897,364	4,863,746	6,761,109	4,013,316
	Amortisation and impairment losses				
	Opening balance	-	634,992	634,992	395,799
	Amortisation	-	391,162	391,162	239,193
	Closing balance	-	1,026,155	1,026,155	634,992
	Carrying amounts				
Closing balance		1,897,364	3,837,591	5,734,955	3,378,324

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024	31 December 2023
	N '000	N '000
18 Income tax		
18a Current tax payable		
Opening balance	866,449	557,974
Charged for the year	661,988	825,816
	1,528,437	1,383,790
Prior year's under provision	24,971	-
Less: payment	822,117	(517,341)
Closing balance	731,291	866,449
	31 December 2024	31 2023
	N '000	N '000
18b Tax expense		
Company income tax	387,702	547,104
Education tax	13,012	136,776
Information technology levy	181,656	113,129
Police trust fund levy	908	524
NASENI	45,414	28,282
Windfall Levy	33,295	
	661,988	825,816
Prior year's under provision	24,971	
Deferred tax expenses		
(Reversal)/origination of temporary differences	(791,145)	304,112
Closing balance	(104,186)	1,129,929
	31 December 2024	31 December 2023
18c Deferred tax movement		
Opening balance	411,239	107,127
Deferred tax expenses(origination/(reversal))	(791,145)	304,112
Closing balance	(379,906)	411,239
18d Reconciliation of tax expense and the accounting profit		
Accounting profit before tax	18,165,623	11,312,924
Tax calculated at the rate of 30%	5,449,687	3,393,877
Non-deductible expenses for tax purpose	1,254,964	1,294,174
Tax exempted income	(6,520,032)	(3,046,738)
Deductible Expenses	(54,497)	
Educational tax levy	13,012	136,776
NITDEF tax levy	181,656	113,129
Police trust fund levy	908	524
NASENI	45,414	28,282
Windfall Levy	33,295	
Prior year's under provision	24,971	
Minimum Tax	387,702	
Income tax reversal due to minimum tax	(43,374)	
Capital allowance utilised	(86,748)	(1,094,209)
Origination and reversal of temporary deferred tax	(791,145)	304,112
Income tax expense	(104,186)	1,129,929
18e Deferred tax analysis by source		
Analysis of deferred tax according sources:		
Property, plant & equipment	3,802,891	2,498,014
Unutilised capital allowance	(4,182,796)	(2,086,775)
Closing balance	(379,906)	411,239

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	31 December 2024	31 December 2023
	N '000	N '000
19 Customers' current and qard saving account		
Analysis by type of account		
Current account	319,016,880	178,064,707
Qard saving account	33,761,140	23,574,435
Closing balance	352,778,019	201,639,142
20 Other financing		
Central Bank of Nigeria - Non Interest Intervention	7,559,599	8,708,884
Closing balance	7,559,599	8,708,884

This represents the fund received under the Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme for non-interest intervention using the Murabahah and Istisna' financing mode. The aim is to provide concessionary funding for agriculture so as to promote commercial agricultural enterprises in Nigeria. The funds are received from the CBN at 2%, and disbursed at 9% to the beneficiary. The profit rate on the facility is 9% per annum inclusive of all related charges associated with the financing and the profit distribution ratio between the CBN as fund provider and the Bank is in the ratio of 2:7. The maximum tenor of the facility is seven years.

The Real Sector Support Facility (RSSF): The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The facility is targeted at large enterprises and startups in manufacturing, agricultural value chain and selected service subsectors. The funds are received from the CBN at 2%, and disbursed at 9% to the beneficiary. The profit rate on the facility is 9% per annum inclusive of all related charges associated with the financing and the profit distribution ratio between the CBN as fund provider and the Bank is in the ratio of 2:7. The maximum tenor of the facility is seven years.

21 Other liabilities		
Accounts payable	245,083,529	86,853,130
Other tax liabilities	1,031,682	410,472
Profit payable to mudarabah account holders	257,669	874,492
Due to charity	516	16,514
Deposit for shares	3,707,600	2,154,000
Sundry creditors	961,938	912,756
Accrued audit and professional fees	22,395	20,883
Lease liability	5,102,412	5,102,412
	256,167,741	96,344,659
Impairment allowance on contingents	1,004,992	841,257
Closing balance	257,172,733	97,185,917

(a) Movement in impairment on contingents during the year ended is as follows

Opening balance	841,257	399,647
Charge/(reversal) for the year ended	163,735	441,610
Closing balance	1,004,992	841,257

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	31 December 2024	31 December 2023
	N '000	N '000
22 Equity of investment account holders		
Mudarabah investment accounts (Current account)	413,346	
Mudarabah investment accounts (Saving account)	148,248,632	58,218,134
Mudarabah term deposit (note 22a)	164,412,902	109,266,122
Profit equalisation reserve (note 22b)	291,354	117,400
Investment risk reserve (note 22c)	240,349	95,946
Closing balance	313,606,582	167,697,602
22a Analysis of Mudarabah term deposit maturity by product		
MTD 30 days	71,489,099	38,099,657
MTD 60 days	33,411,199	21,871,618
MTD 90 days	36,874,816	32,660,699
MTD 180 days	15,106,430	12,902,753
MTD 181-365 Days	7,531,356	3,731,395
Closing balance	164,412,902	109,266,122
22b Profit equalization reserve		
Balance at 1 January	117,400	22,063
Amount apportioned from distributable income	173,954	95,337
Closing balance	291,354	117,400
The Bank allocates in its Profit equalization reserve (PER) an amount up to 1% out of the total gross distributable income before distribution to the Investment Account Holders (IAH), in order to maintain a certain level of return on investment for investment account holders and to increase owners' equity. This is done based on the profit sharing ratio agreed upon with depositors or		
22c Investment risk reserve		
Balance at 1 January	95,946	22,085
Amount apportioned from income to investment account holders	144,403	73,861
Closing balance	240,349	95,946
The Bank allocates in its Investment risk reserve (IRR) an amount up to 1% of the profit available for distribution amongst the pool's depositors after deduction of Mudarib share in every profit year, in order to cater against future losses for investment account holders.		
22d Mudarabah investment with other Banks and Other Financial Institutes		
Balance at 1 January		
Mudarabah investment	30,000,000	-
Closing balance	30,000,000	-

23 Owners' Equity	31 December	31 December
Share capital	2024	2023
(i) Authorised	N'000	N'000
20,000,000,000 Ordinary shares of N1.00 each (31 Dec 2023: 20,000,000)	20,000,000	20,000,000
Closing balance	20,000,000	20,000,000
(ii) Issued and fully paid share capital		
15,571,000 Ordinary shares of N1.00 each (31 Dec 2023: 13,260,000)	15,571,000	13,260,000
Addition	2,668,919	2,311,000
Closing balance	18,239,919	15,571,000

The holders of ordinary shares are entitled to receive dividends and each shareholder is entitled to vote at the Shareholders' general meetings. All ordinary shares rank equally.

Opening balance	795,840	795,840
Movement	201,081	-
Closing balance	996,921	795,840

25 Tier 1 Sukuk

SPV ("the Issuer")	Date Issuance	of	Indicative Profit rate	Callable year		
Taj Sukuk Issuance Programme SPV Plc	25 2022	August	15% annum semi-annually	per paid minimum year of 5 Years	11,359,989	11,359,989
					11,359,989	11,359,989

Distributable Profit from the underlying investments, projects, and/or assets shall accrue from the date the issuer receives the Mudarabah capital contribution and is payable bi-annually in arrears in the form of profit payment from the Bank provided such payments would not adversely affect the liquidity position or other commitments ranked higher in priority.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024	31 December 2023
	N'000	N'000
26 Retained earnings		
Opening balance	6,036,745	2,301,726
Net profit for the year	18,269,809	10,182,996
Risk regulatory reserve	(7,498,806)	(1,557,928)
Statutory reserve	(5,480,943)	(3,054,899)
AGSMEIS reserve	(913,490)	(509,150)
Cash Dividend	(1,758,882)	
Scrip Dividend		(1,326,000)
Closing balance	8,654,433	6,036,745

27 Regulatory risk reserve		
Opening balance	2,451,385	893,457
Appropriation against retained earnings	7,498,806	1,557,928
Closing balance	9,950,190	2,451,385

The regulatory risk reserves warehouses the difference between the allowance for impairment losses on financing and investments based on Central Bank of Nigeria prudential guidelines compared with the expected credit loss model used in calculating the impairment under IFRSs.

28 Other reserves		
(a) Statutory reserve		
Opening balance	4,974,618	1,919,719
Appropriation against retained earnings	5,480,943	3,054,899
Closing balance	10,455,560	4,974,618

The Bank and Other financial Institution Act, 2020 require banks to make an annual appropriation to a statutory reserve. As stipulated by S.15(1) of the Act, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

(b) Agriculture small and medium enterprises investment scheme		
Opening balance	518,071	320,466
Charged	-	(311,545)
Appropriation against retained earnings	913,490	509,150
Closing balance	1,431,562	518,071

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agriculture Small and Medium Enterprises Investment Scheme (AGSMEIS), all Deposit Money Banks (DMBs) are required to set aside 5% of their annual Profit after tax (PAT).

The charged of N311,544,750 represents the amount charged by CBN for 2020 to 2022:

Year	Amount (N'000)
2020	42,284
2021	63,361
2022	205,900
	311,545

(c) Profit equalization reserve		
Opening balance	117,652	44,240
Amount apportioned from distributable income	44,014	73,412
Closing balance	161,667	117,652

The Bank allocates in its Profit equalization reserve (PER) an amount up to 1% out of the total gross distributable income before distribution to the Investment Account Holders (IAH), in order to maintain a certain level of return on investment for investment account holders and to increase owners' equity. This is done based on the profit sharing ratio agreed upon with depositors or investors.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024	31 December 2023
29 Income from financing contracts	N '000	N '000
Murabahah transactions		
Profit on Murahabah -retail	98,919	44,749
Profit on Murahabahah -corporate	33,816,593	19,158,573
Profit on Murahabahah - CBN CACs	47,929	85,654
Profit on Murahabahah - CBN DCRR & RSSF	276,948	351,208
Murahabah LC income	223,828	-
Murahabah LC expenses	-	(14,247)
Total profit from Murahabahah transactions	34,464,216	19,625,937
Ijara transactions		
Profit on Ijarah of service	58	-
Profit on Ijarah of service -retail	576,701	443,609
Profit on Ijarah service - retail (POS)	1,035	49,248
Profit on Ijarah muntahiyah bittamleek - retail	230,154	93,328
Profit on Ijarah muntahiyah bittamleek - corporate	4,069,395	1,539,627
Profit on Ijarah muntahiyah bittamleek -CBN CACS	1,437	3,340
Total profit from ijara transactions	4,878,780	2,129,152
Istisna' transactions		
Profit on Istisna' - corporate	516,170	538,014
Profit on Istisna' - retail	-	170
Profit on Istisna' - DCRR & RSSF	270,702	151,398
Total profit from Istisna' transactions	786,872	689,582
Total income from financing contracts	40,129,868	22,444,671
30 Income from investment activities		
Sukuk-rental	13,389,462	7,147,819
Sukuk premium expenses	(1,536,530)	(544,968)
Net Sukuk income	11,852,933	6,602,851
Profit on interbank Mudarabah	650,058	90,476
Income from real estate investment	15,983	7,277
Income from Halal Trust investment	240,061	
Income on inventory financing	10,454,649	8,190,229
Inventory expenses	(70,787)	(21,735)
Income from investment activities	23,142,898	14,869,098
Income from other financing activities		
Wakalah commission	706,735	367,689
Profit on Sukuk sales	9,880,507	3,439,813
Treasury Trading Income	1,188,945	
Total income from other financing activities	11,776,188	3,807,501
Total income from investment activities	34,919,086	18,676,599
31 (i) Return on equity investment account holders /Sukukholders		
Profit paid to Mudarabah account holders	22,391,654	8,719,412
Profit paid to Sukukholders on Sukuk issued	1,712,117	1,619,367
Profit paid to Mudarabah account holders/Sukukholders	24,103,771	10,338,779
(ii) Bank's shares on financing and investment activities		
Total income from financing	75,048,954	41,121,271
Less: profit paid to investment account holders/Sukukholders	(24,103,771)	(10,338,779)
Bank's share as equity investor/Mudarib	50,945,183	30,782,492

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024	31 December 2023
	N'000	N'000
32 Impairment charge		
Impairment charge on Murabahah finance (note 38)	(1,299,758)	(2,620,352)
Impairment charge on Ijarah finance (note 38)	(77,611)	(76,514)
Impairment write back on Istisna' finance (note 38)	22,145	(45,385)
Impairment charge on off balance sheet item (note 38)	(163,735)	(441,610)
Closing balance	(1,518,959)	(3,183,861)
33 Fees and commission		
Banking services	1,169,616	344,700
E-business income	1,030,878	569,269
Treasury income		75,113
Income from confirmation line	-	394,162
Income on agent transactions	291,028	434,271
Closing balance	2,491,522	1,817,515
34 Other operating income		
Exchange Gain /Loss translation of Foreign currency		217,719
Closing balance	-	217,719
35 Staff costs		
Salaries	7,160,015	4,480,708
Staff pension	265,059	172,162
Training and seminar expenses	193,749	163,438
Other staff expenses	2,305,835	1,295,420
Closing balance	9,924,659	6,111,728
36 Depreciation and amortisation		
Depreciation of property, plant & equipment	2,604,985	1,454,464
Amortisation of leasehold improvement	304,796	151,902
Amortisation of intangible assets	391,162	239,193
Closing balance	3,300,943	1,845,559

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024**

	31 December 2024	31 December 2023
	N'000	N'000
37 General and administrative expenses		
Advertsing and marketing	1,556,212	746,470
Telephone expenses	677	936
Bank charges	431,612	229,127
E-Business transaction	1,630,889	996,795
Printing and stationery	322,869	320,673
Repair and maintenance	399,405	164,486
Service contract	1,893,452	1,032,579
Travelling - local and foreign	1,168,235	436,218
Postage and courier charges	108,889	64,434
Right of use assets (amortisation)	710,507	564,078
Premises expenses	617,299	192,106
Security guards	313,866	174,433
IT related expenses	1,052,730	577,037
Advisory Committee of Experts and Directors' expense	465,508	400,362
Takaful Insurance	110,712	21,294
Audit fees and expense	29,072	30,567
Professional fees	445,682	203,704
Vehicles repairs	211,631	171,831
Licences	1,593,668	689,550
Treasury expenses	3,121,206	655,521
NDIC premium	1,950,000	1,642,127
Subscriptions	176,939	47,372
Fuel and Diesel expenses	978,054	485,157
Donation	6,042	97,075
Office cleaning	369,604	174,913
Other operating expense	861,763	244,808
Closing balance	20,526,521	10,363,653

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

38 Credit quality

38 (a) Statement of prudential adjustment

Prudential Adjustment for the period ended 31 December 2024

In compliance with the provisions under the revised Prudential Guidelines issued by the Central Bank of Nigeria, which became effective 1 July, 2010, addresses the variance between the impairment allowance under prudential guidelines and the expected credit loss model required by IFRS 9.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

Provisions for financing recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting therefrom should be transferred from the general reserve account to a "regulatory risk reserve".
- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

As at December 2024, the difference between the Prudential provision and IFRS impairment was N9.950 billion for the Bank (December 2023: N2.451 billion). This requires transfer of N7.499 billion from retained earnings to regulatory risk reserves for the Bank as disclosed in the statement of changes in equity. These amounts represent the difference between provisions for credit and other known losses as determined under the prudential guidelines issued by the Central Bank of Nigeria (CBN) and impairment reserve as determined in line with IFRS 9 as at the year end.

The non-distributable reserve should be classified under Tier 1 core capital

Statement of prudential adjustments

	31 December 2024	31 December 2023	Total
	N'000	N'000	N'000
Total impairment allowance per IFRS 9	8,969,783	4,193,971	4,775,812
Total impairment per Prudential guidelines	15,663,118	5,963,356	9,699,762
Risk regulatory reserve closing balance	6,693,336	1,769,385	4,923,950

38 (b) Carrying value of financing and investment assets

	RISK ASSETS SUMMARY - 31 DECEMBER 2024				IMPAIRMENT SUMMARY - 31 DECEMBER 2024				Carrying Amount
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Total N'000
Murabahah financing	238,576,203	20,141,210	8,039,181	266,756,594	1,993,851	5,434,820	409,772	7,838,443	258,918,151
Ijarah financing	18,292,342	7,805,694	290,786	26,388,822	176,384	69,396	14,539	260,320	26,128,502
Istisna'	5,000,981	1,566,235	12,968	6,580,184	23,078	36,207	648	59,933	6,520,251
Mudarabah financing	620,000	-	-	620,000	2,113	-	-	2,113	617,887
	262,489,526	29,513,139	8,342,935	300,345,600	2,195,426	5,540,423	424,960	8,160,809	292,184,791
Off balance sheet item	122,781,282	-	-	122,781,282	808,974	-	-	808,974	121,972,308
	-	-	-	-	-	-	-	-	-
Balance at 31 December 2024	385,270,808	29,513,139	8,342,935	423,126,882	3,004,400	5,540,423	424,960	8,969,783	414,157,099

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	RISK ASSETS SUMMARY - 31 DECEMBER 2023				IMPAIRMENT SUMMARY - 31 DECEMBER 2023				Carrying Amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Murabahah financing	126,138,076	5,206,373	9,381,710	140,726,159	765,964	1,729,728	681,735	3,177,427	137,548,733
Ijarah financing	12,507,985	166,742	543,462	13,218,189	88,341	757	9,248	98,347	13,119,843
Istisna'	8,679,545	-	184,961	8,864,506	49,766	-	27,173	76,939	8,787,568
	147,325,607	5,373,115	10,110,133	162,808,855	904,071	1,730,485	718,157	3,352,712	159,456,143
Off balance sheet item	92,837,924	-		92,837,924	841,257	-	-	841,257	91,996,667
Balance at 31 December 2023	240,163,531	5,373,115	10,110,133	255,646,779	1,745,328	1,730,485	718,157	4,193,969	251,452,810

38 (c) Reconciliation of impairment charge

The following table reconciles the impairment loss allowance charged on financing assets and financing commitments and guarantee contracts determined in accordance with IFRS 9 as at 31 December 2024.

31 December 2024

	Stage 1	Stage 2	Stage 3	OKL	TOTAL
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2024	1,745,329	1,730,485	718,157	-	4,193,971
Impairment charged during the year	508,770	938,225	71,963	-	1,518,959
Transfer between stages	-	-	-	-	-
Write back/recoveries during the year	-	-	-	-	-
Balance at 31 December 2024	3,004,400	5,540,423	424,960	-	8,969,783
	1,259,072	3,809,938	(293,198)	0	

31 December 2023

	Stage 1	Stage 2	Stage 3	OKL	TOTAL
	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2023	845,175	162,284	2,649	-	1,010,109
Impairment charged during the year	900,153	1,568,201	715,508	-	3,183,862
Transfer between stages	-	-	-	-	-
Write back/recoveries during the year	-	-	-	-	-
Balance at 31 December 2023	1,745,329	1,730,485	718,157	-	4,193,970

**JBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Financing and investment analysis	31 December 2024 N'000	31 December 2023 N'000
(i) By Security		
Legal Mortgage	227,542,985	117,596,835
All Asset Debenture	25,654,621	7,326,398
Domiciliation of Contract Proceeds	1,165,414	13,767,626
Domiciliation of Account Receivables	627,380	1,171,565
Cash	12,436,590	12,210,664
Domiciliation of Salaries and Allowances	2,091,277	553,550
Deed of Sublease	640,957	2,595,326
Irrevocable Standing Payment Order (ISPO)	24,234	911,729
Negative Pledge	1,125,085	
Equitable Mortgage	613,030	1,465,279
Mortgage Debenture	18,076,053	5,209,883
Trust Receipt or Warehouse Warrants	10,347,974	
Closing balance	300,345,600	162,808,855
(ii) By product		
Ijarah of service - Retail	8,629	15,167
Ijarah of service - Corporate	2,820,313	2,977,774
CBN DCRR	9,432,198	5,571,044
Ijarah muntahiyah bi tamleek (Retail and corporate)	23,492,703	9,796,500
CBN CACS	1,287,145	1,511,644
Murabahah Retail	9,282,758	7,240,794
Murabahah Corporate	250,964,133	126,472,925
Istisna'	2,437,721	9,223,007
Mudarabah	620,000	
Closing balance	300,345,600	162,808,855
(iii) By sector		
Agriculture	19,015,184	29,269,403
Construction	28,530,468	9,137,820
Education	1,213,101	1,228,772
General	12,764,038	7,462,623
General Commerce	55,654,565	17,911,582
Human health and social work activities	5,413,129	2,091
Information and communication	561,816	89,906
Manufacturing	55,875,745	27,710,287
Oil and Gas	51,821,449	34,394,197
Professional, Scientific and Technical activities	167,668	1,668,631
Mining and Quarrying	5,417,179	-
Real Estate	38,263,234	19,669,567
Transportation and Storage	23,010,940	11,149,372
Power & Renewable Energy	2,637,084	3,114,603
Closing balance	300,345,600	162,808,855
(iv) By Business Unit		
Corporate	289,191,691	154,105,152
Retail	11,153,909	8,703,703
Closing balance	300,345,600	162,808,855
(v) By tenor		
≤ 3 Months	7,550,118	9,971,852
> 3 Months ≤ 6 Months	118,394,355	49,766,254
> 6 Months ≤ 1 Year	83,798,622	23,549,030
> 1 Year ≤ 2 Years	30,267,872	21,200,706
> 2 ≤ 3 Years	31,265,653	32,400,600
> 3 ≤ 5 Years	20,975,487	15,747,633
> 5 Years	8,093,493	10,172,780
Closing balance	300,345,600	162,808,855
(vi) By performance		
Performing	288,576,344	159,541,013
Non Performing:		
Substandard	4,564,584	1,209,218
Doubtful	4,352,735	1,066,899
Lost	2,851,938	991,725
Closing balance	300,345,600	162,808,855

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024****40 Related parties transactions**

In the ordinary course of its activities, the Bank has no exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

- (i) Related parties: Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes investment as well as key management personnel.
- (ii) Transaction with key management personnel: The Bank's key management personnel, and persons connected with them, are also considered related parties. The definition of key management includes the close members family of key personnel and any entity over which key management exercise control. Close family members are those who may be expected to influence, or be influenced by that individual in their dealings with TAJBank Limited.

The table below is an analysis of the insider related credits

		31 December 2024	
Name	Relationship with the Bank	N'000	Classification
Bedmod Integrated Farms Limited	Shareholder / Non Executive Director	73,386	Performing
Jameel Muhammad Sadis	Shareholder / Non Executive Director	263,850	Performing
Hamid Abubakar Joda	Managing Director	243,833	Performing
Sherif Audu Idi	Executive Director	221,869	Performing
Usama Saleh	Employee	64,250	Performing
Kabir Muhammad Muhammad	Employee	61,372	Performing
Melissa Sebastian Adesina	Employee	38,777	Performing
Aminu Habu Alkassim	Employee	7,335	Performing
Babatunde Boladele Odumosu	Employee	5,087	Performing
Olusola Adewale Fajimi	Employee	6,903	Performing
Key Management personnel	Employee	380,900	Performing
Closing balance		1,367,562	

		31 December 2023	
Name	Relationship with the Bank	N'000	Classification
Bedmod Integrated Farms Limited	Shareholder / Non Executive Director	179,395	Performing
Hamid Abubakar Joda	Managing Director	278,212	Performing
Sherif Audu Idi	Executive Director	253,064	Performing
Kabir Muhammad Muhammad	Employee	68,385	Performing
Saheed Adeluola Ekeolere	Employee	44,691	Performing
Jamiu Olakunle Fasugba	Employee	15,876	Performing
Aminu Habu Alkassim	Employee	14,670	Performing
Shettima Imam Babakura	Employee	15,590	Performing
Olusola Adewale Fajimi	Employee	11,044	Performing
Key Management personnel	Employee	123,572	Performing
Closing balance		1,004,501	

TAJBANK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

41 Significant shareholding (5% & above)	31 December 2024		31 December 2023	
	Holdings	%	Holdings	%
H & S Investments Limited	6,424,000,000	35.22	6,534,000,000	41.96
Mallam Lawal Garba	2,150,000,000	11.79	1,650,000,000	10.60
Nura Manu Soro	1,560,810,811	8.56	1,560,810,811	10.02
Adama Beverages Limited	1,100,000,000	6.03	1,100,000,000	7.06
Inverness Wealth Management Limited	1,100,000,000	6.03	1,100,000,000	7.06
Winslow Logistic Limited	926,500,000	5.08		
Closing balance	13,261,310,811	72.70	11,944,810,811	76.71

42 Earnings per share**Basic earnings per share**

Basic earnings per share of N101.02 (31 December 2023: N65.4 kobo) is based on the profit N18.31 billion attributable to shareholders with ordinary shares of 18,239,918,919.

	31 December 2024 N'000	31 December 2023 N'000
Profit attributable to ordinary shareholders		
Profit for the year	18,269,809	10,182,995
Profit attributable to ordinary shareholders	18,269,809	10,182,995
Weighted average number of ordinary shares		
	In Thousand	In Thousand
Issued ordinary shares	18,239,919	15,571,000
Weighted average number of ordinary shares at closing	18,239,919	15,571,000

Basic and diluted earnings per share (kobo)	100.16 kobo	65.4 kobo
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There have been no transactions during the period which caused dilution of the earnings per share.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
43 Information regarding directors

Emoluments

Fees:

Chairman

Other directors

Emolument as executives

31 December 2024	31 December 2023
N'000	N'000
20,000	20,000
15,000	15,000
373,184	129,402

No. of Directors excluding the Chairman with gross emoluments within the following ranges

N	N	Number	Number
1,000,000 -	2,000,000	-	-
2,000,001 -	5,000,000	-	-
5,000,001 -	above	12	10

44 Information regarding employees

The number of employees excluding Directors in receipt of emoluments excluding allowances in the following ranges were:

N	N	Number	Number
500,000 -	5,000,000	224	292
5,000,001 -	10,000,000	310	171
10,000,001 -	Above	226	97
		760	560

Number of persons employed as at the end of the year were:

Executive directors
Management
Non -management

Number	Number
2	2
82	84
676	474
760	560

45 Contingencies and commitments
(i) Litigation

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has proper controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing.

The Bank, in its ordinary course of business, is presently involved in 11 litigation suits (31 December 2023: 15 litigation suits). 9 cases were instituted against the Bank (31 December 2023: 13) and 2 cases instituted by the Bank (31 December 2023: 2).

The Directors are of the opinion that, based on currently available information and advice of counsel, none of the aforementioned cases is likely to have a material adverse effect on the financial position of the Bank and are not aware of any other pending or threatened claims and litigations. No provision has been made for

(ii) Other contingent liabilities

In the normal course of business, the Bank enters into various types of transactions that involve undertaking certain commitments such as Bid security, guarantees and other financial commitments.

	31 December 2024	31 December 2023
	N'000	N'000
Advanced payment guarantees	45,942,874	71,377,110
Bank guarantees	9,670,905	8,590,856
Bid Security	837,068	10,586,574
Wakalah LC	-	2,283,385
Others	66,330,435	
Closing balance	122,781,282	92,837,924

(iii) Capital commitments

There were no capital commitments at the end of the reporting year of 31 December 2024.

(iv) Guarantees and other financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Bank's financial position, financial performance and cash flows have been taken into account in the preparation of these financial statements.

TAJBANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**46 Contravention of CBN/NDIC guidelines**

AS AT 31 DECEMBER 2024 financial period, the Bank did contravene the CBN guidelines

	31 December 2024 N'000
Penalty paid in respect of sale of oil proceeds	5,000
Penalty paid in respect of second factor authentication	2,000
Failure to put in place PEP monitoring mechanisms	4,000
	<u>11,000</u>

As at 31 December 2023 financial year, the Bank did not contravene any CBN guidelines.

47 Capital Adequacy Ratio

The Bank presents details of its regulatory capital resources in line with the Central Bank of Nigeria's guidance on Pillar I capital requirements.

	31 December 2024 N'000	31 December 2023 N'000
Regulatory capital		
Tier 1 capital		
Share capital	18,239,919	15,571,000
Share premium	996,921	795,840
Sukuk issued	11,359,989	11,359,989
Retained earnings	8,931,334	6,036,745
Statutory reserve	10,218,217	4,974,618
AGSMEIS reserves	1,392,005	518,071
Profit equalization reserve	161,667	117,652
	<u>51,300,051</u>	<u>39,373,916</u>
Less: Deferred tax assets	379,906	-
Intangible assets	5,734,955	3,378,324
Total qualifying Tier 1 capital	45,185,191	35,995,592
Tier 2 capital		
Qualifying other reserves	-	-
Other comprehensive income	-	-
Total qualifying Tier 2 capital (100% of total qualifying Tier I capital)	-	-
Total qualifying capital	<u>45,185,191</u>	<u>35,995,592</u>
Risk - weighted assets:		
Credit risk	323,340,082	165,811,957
Operational risk	34,450,617	14,912,281
Market risk	99,572,244	99,566,855
Total risk-weighted assets	<u>457,362,943</u>	<u>280,291,093</u>
Risk-weighted capital adequacy ratio	9.88%	12.84%

48 Comparatives

Certain comparative figures have been presented to conform with current year presentation.

49 Non audit services

During the period, the auditors Messrs Ahmed Zakari & Co did not performed any non audit services.

50 Events after the reporting period

There were no significant events after the reporting year, which could have had any material effect on the financial statements that have not been adequately provided for or disclosed in the financial statement.

Other National disclosures

TAJBANK LIMITED
STATEMENT VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2024
OTHER NATIONAL DISCLOSURES

	31 December		31 Dcember	
	2024	2024	2023	2023
	N'000	%	N`000	%
Gross income from financing, investing transactions and fees	77,540,476		43,156,504	
Return on equity of investment account holders	(24,103,771)		(10,338,779)	
Bank's share as a mudarib	53,436,705		32,817,725	
Impairment allowance	(1,518,959)		(3,183,861)	
	51,917,746		29,633,864	
Bought in goods and services	(20,526,521)		(10,363,653)	
Value added	31,391,225	100%	19,270,211	100%
Distribution				
Employees				
Salaries and benefits	9,924,659	32%	6,111,728	31.72%
Government				
Taxation	(104,186)	0%	1,129,929	5.86%
Retained in the Bank				
Replacement of property and equipment / intangible assets	3,300,943	11%	1,845,559	9.58%
Profit/(loss) for the year	18,269,809	58%	10,182,995	52.84%
Total value added	31,391,225	100%	19,270,211	100%

Value added represents the additional wealth which the Bank has been able to create by its own and employees efforts.

TAJBank Limited

Plot 72, Ahmadu Bello Way
Central Business District, Abuja, Nigeria.

TAJBANK LIMITED FINANCIAL SUMMARY

	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with Central Bank of Nigeria	235,199,915	110,882,290	34,874,339	18,790,704	12,246,827
Due from banks and other financial institutions	78,962,220	25,262,997	11,200,425	15,707,792	7,510,501
Interbank receivables	-	3,006,473	262,258	3,127,228	3,753,352
Investment in Sukuk	135,033,174	64,789,028	35,302,042	9,260,624	5,797,425
Investment in Real Estate	3,118,497	378,436	-	-	-
Mudarabah Financing,net	620,000				
Murabahah receivables, net	237,523,091	124,348,133	65,315,451	31,728,733	9,983,955
Istisna' receivables, net	5,511,071	7,270,933	4,288,397	1,633,623	114,948
Ijarah muntahiyah bittamleek,net	29,087,626	13,156,394	8,631,230	3,180,897	1,200,650
Inventory financing	56,483,197	58,969,450	20,395,010	5,756,278	2,305,194
Other assets	118,682,777	84,004,536	20,553,329	13,611,860	1,877,038
Right of use assets	11,416,317	6,458,248	-	-	-
Property, plant and equipment	25,795,839	15,029,006	8,254,074	5,767,595	364,372
Leasehold improvement	9,549,882	1,400,285	1,105,258	706,425	1,341,217
Intangible assets	5,734,955	3,378,324	1,838,735	1,385,987	2,919,961
Deferred tax assets	379,906			297,887	609,548
Total assets	953,098,465	518,334,533	212,020,549	110,955,633	50,024,988
Liabilities					
Customers' current and qard saving deposits	352,778,019	201,639,142	116,075,711	54,720,817	22,031,135
Other financing	7,559,599	8,708,884	7,283,183	2,447,853	1,000,000
Other liabilities	187,172,732	97,185,917	22,578,843	24,325,121	5,073,217
Tax payable	731,291	866,449	557,974	50,206	8,086
Deferred tax liabilities	-	411,239	107,127	-	-
Total liabilities	548,241,641	308,811,631	146,602,839	81,543,998	28,112,438
Equity of investment account holders	313,606,582	167,697,602	45,882,263	18,367,169	14,670,748
Mudarabah investment with from Banks and Other Financial Institutes	30,000,000				
Mudarabah investment account holders	343,606,582	167,697,602	45,882,263	18,367,169	14,670,748
Equity					
Share capital and share premium	19,236,840	16,366,840	14,055,840	9,702,000	7,192,000
Sukuk issued	11,359,989	11,359,989	-	-	-
Reserves	30,653,412	14,098,472	5,479,607	1,342,467	49,802
Total equity	61,250,241	41,825,301	19,535,447	11,044,467	7,241,802
Total equity and liabilities	953,098,464	518,334,533	212,020,549	110,955,633	50,024,988
Summarized statement of profit or loss and other comprehensive income					
	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
	N'000	N'000	N'000	N'000	N'000
Gross earnings	77,540,476	43,156,504	17,322,679	7,236,248	3,332,751
Return on equity of investment account holders	(24,103,771)	(10,338,779)	(1,679,378)	(576,288)	(412,325)
Impairment charges	(1,518,959)	(3,183,861)	(692,395)	(172,014)	(145,699)
	51,917,745	29,633,864	14,950,906	6,487,946	2,774,727
Operating expenses and administrative expenses	(33,752,123)	(18,320,941)	(9,869,567)	(4,859,013)	(2,477,902)
Net profit before tax	18,165,622	11,312,924	5,081,338	1,628,933	296,824
Income tax expense	104,186	(1,129,929)	(962,988)	(361,719)	548,859
Net profit for the period	18,269,809	10,182,995	4,118,351	1,267,215	845,683
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	18,269,809	10,182,995	4,118,351	1,267,214	845,683
Earnings per share					
Basic and diluted earnings per share (kobo)	100.16 kobo	65.4 kobo	31.06 kobo	13.11 kobo	11.82 kobo