

LEADWAY TRUSTEES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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CORPORATE INFORMATION

Company Registration Number	RC 268275	
Date of incorporation	22 March 1995	
Directors:		
Mr. Oye Hassan-Odukale	Chairman	
Mr. Tunde Hassan-Odukale	Non-Executive Director	
Mrs. Fehintola Obatusin	Non-Executive Director	
Mr. Muftau Oyegunle	Non-Executive Director	
Mrs. Tokunbo Okuribido-Ibrahim	Non-Executive Director, Independent	
Company secretary:	Olumide Hanson FRC/2019/NBA/00000019064	
Corporate Office:	121/123 Funso Williams Avenue, Iponri Surulere, Lagos, Nigeria	
Auditor:	KPMG Professional Services KPMG Towers Bishop Aboyade Close Street Victoria Island Tel (01)2718955	
Bankers:	Citibank Nigeria Limited FBN Bank (UK) Limited First Bank of Nigeria Limited Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited Access Bank Plc Optimus Bank Parallex Bank Zenith Bank Plc	
Solicitors:	Lawfields & Associates, 28, King George V Road, Lagos Island, Lagos.	Knightbridge Solicitors 1, Kandi Close, Off Aminu Kano Crescent, Wuse 2, Abuja.
	Charles Musa & Co. 35, Simpson Street Lagos Island Lagos.	
Tax identification number:	02188077-0001	

CHAIRPERSON'S STATEMENT – 2025 ANNUAL REPORT OF LEADWAY TRUSTEES LIMITED

Dear Esteemed Shareholders, my colleagues on the Board, other stakeholders here present, ladies and gentlemen, it is with great pleasure that I welcome you all to the 22nd Annual General Meeting of Leadway Trustees Limited (Leadway Trustees) and to present the Annual Report and Accounts for the year ended December 31, 2025.

YEAR 2025 IN RETROSPECT

In 2025, the global economy demonstrated moderate resilience, maintaining a stable but cautious growth trajectory. Global growth was estimated at approximately 3.1%, slightly below the 3.2% recorded in 2024, as economies continued to adjust to tighter financial conditions, geopolitical tensions, and evolving trade dynamics.

The Nigerian economy sustained its recovery momentum despite persistent macroeconomic pressures. The National Bureau of Statistics (NBS) reported a full-year 2025 growth of 3.87%, outperforming 3.38% from 2024. The services sector remained the dominant driver of economic activity, contributing roughly 56% of the total GDP. Interestingly, the Oil sector also saw a rebound in 2025, growing by 8.5% for the full year.

Furthermore, inflationary pressures elevated at the start of the year, however, it showed early signs of moderation compared to the peak levels of 2024 and by December, 2025, headline inflation had eased to 15.15%. In response, the Central Bank of Nigeria (CBN) maintained a tight monetary policy stance, keeping the Monetary Policy Rate (MPR) elevated to curb inflation and stabilize the economy until later in the year when a cautious pivot began.

On the foreign exchange (FX) front, ongoing reforms aimed at improving liquidity and transparency in the FX market continued to yield gradual progress. Although the Naira remained under pressure, relative stability was observed compared to the sharp volatility experienced in previous periods.

Despite these headwinds, the Nigerian economy remained on a gradual recovery path supported by reform initiatives, improved policy coordination, and emerging opportunities across key sectors.

OUR BUSINESS OPERATIONS

Against the backdrop of the evolving economic landscape, Leadway Trustees sustained its commitment to delivering high-quality trusteeship and credit management services, supported by sound governance, experienced leadership, and strong Board oversight. This remains consistent with the Company's long-term strategic direction.

In 2025, the Company continued to operate across its two core segments, Trust Services and Credit Services. However, 2025 marked a deliberate strategic shift towards strengthening and expanding our Trust business, in line with our objective of building a more diversified and sustainable earnings base.

Although micro-lending remained a key contributor to revenue, the credit business delivered strong growth during the year with increase recorded in loan applications and disbursements driven by improved processing efficiency, disciplined execution, and sustained demand within our target segments.

Notably, the Trust business was a major area of focus during the year. We intensified efforts to grow our Corporate and Public Trust portfolio, leveraging opportunities arising from increased activity in debt financing and structured transactions. Consequently, our Corporate and Public Trust portfolio slightly expanded in 2025. This growth reinforces our growing positioning as a trusted partner in capital market transactions and corporate financing arrangements.

Our Information Technology function remained a key enabler of growth as continuous improvements and system enhancements were implemented during the year to strengthen operational efficiency, support loan processing, and enhance service delivery across business lines. These ongoing digital initiatives further position the Company to unlock additional revenue streams and improve customer experience.

Despite workforce changes during the year, staff engagement and productivity remained strong, underscoring the resilience and commitment of our team.

Overall, 2025 marked a year of intentional rebalancing, with heightened focus on scaling our Trust business alongside sustained performance in our credit operations, positioning the Company for more diversified and resilient revenue growth going forward.

OUR FINANCIAL PERFORMANCE

During the financial year, gross earnings increased by 43% rising from ₦999m in 2024 to ₦1.4 billion in 2025, primarily due to increase in interest earnings as a result of growth in loan volumes and fees earned on corporate trust transactions compared to prior year.

Total expenses increased during the year, reflecting higher operational costs, regulatory charges, and continued investment in systems and processes to support business growth and compliance. Total assets decreased marginally from ₦17.2 billion in 2024 to ₦16.6 billion in 2025, due to reduction in client trust assets in custody. The Liabilities also reduced to ₦6.4 billion from ₦7.5 billion in the prior year, largely reflecting decrease in client trust assets in custody.

Profit Before Tax (PBT) stood at ₦788 million in 2025, compared to the prior year's stronger performance, which was principally from a one-off investment income. Despite the decline, the Company maintained solid underlying profitability, supported by steady performance across its core business lines.

DIVIDEND DECLARATION

Despite the moderated PBT compared to 2024, Management has taken a prudent approach by retaining a portion of earnings to support future strategic growth while ensuring fair shareholder returns. Accordingly, the Board of Directors recommends a cash dividend of ₦225,000,000.00 (₦0.225 per ordinary share), subject to withholding tax at the prevailing rate and shareholder approval at the Annual General Meeting.

CAPITAL AND BONUS ISSUE

Due to business exigencies, particularly for our company to be able to competitively engage in business expansion, without the anxiety of inadequate paid up capital required for measuring the capability of the Company and in order to strategically position ourselves at a vantage point amongst other operators, it has become imperative for us to increase the Share Capital of the Company. This, among other things, would also put us in the state of readiness for the implementation of the minimum capital requirements proposed by the Securities and Exchange Commission (SEC).

As such, the Board would be recommending an increase to our share capital from ₦1billion to ₦2billion. Pursuant to this, the Board recommends that we capitalize a sum of ₦1,000,000,000.00 (One Billion Naira) out of the Company's retained earnings and to apply the sum in paying in full 1,000,000,000 (One Billion) ordinary shares of ₦1.00k each which shall be distributed to the shareholders as fully paid up shares in the proportion of 1 (One) share for every 1 (One) share held by shareholders as at 31st December, 2025, all shares to rank equally in all respects with existing shares of the Company except that they shall not rank for the dividend recommended by the Directors in respect of the year ended 31st December 2025.

FUTURE OUTLOOK

By the end of 2025, the global economy had entered a slow but more stable recovery, with downside risks easing, though growth remained below historical averages due to high interest rates, elevated debt levels, and geopolitical tensions.

In Nigeria, macroeconomic conditions improved gradually, with inflation moderating in early 2025 partly due to Consumer Price Index (CPI) rebasing and although underlying pressures persisted, the CBN maintained a tight monetary stance, while relative stability was observed in the foreign exchange market.

Notwithstanding these gains, the operating environment remains challenging, with structural constraints, fiscal pressures, and social factors continuing to weigh on growth prospects. The outlook for 2026 will therefore depend on sustained policy discipline, improved security conditions, and the successful implementation of structural reforms aimed at unlocking non-oil growth and enhancing economic resilience.

Within this context, we remain focused on strengthening our core businesses and deepening our market presence. In particular, we will continue to drive the expansion of our Trust Services business, leveraging emerging opportunities in debt capital markets and structured finance. At the same time, we will sustain growth through improved efficiency, enhanced risk management, and customer-focused product offerings.

Technology and innovation will remain central to our strategy, as we continue to invest in digital capabilities to improve service delivery, operational efficiency, and customer experience. We will also maintain our commitment to developing our people and strengthening our governance framework to support long-term growth.

Overall, we are confident that the effective execution of our strategic priorities will position the Company to navigate the evolving economic landscape and deliver sustainable value to all stakeholders.

CONCLUSION

Looking ahead, I am confident that our Company is strategically positioned to navigate the complexities of the markets in which we operate and to continue delivering sustainable value to all stakeholders.

On behalf of the Board of Directors, I wish to extend my deep appreciation to our esteemed shareholders for your unwavering support and trust in our Company. I also express sincere gratitude to my colleagues on the Board for their strategic guidance, dedication, and wise counsel throughout the year.

Thank you.



Mr. Oye Hassan-Odukale
Chairperson

Directors Report

The directors have pleasure in presenting their annual report on the affairs of Leadway Trustees Limited ("the company") together with the financial statements and the auditor's report for the year ended 31 December 2025

Legal form and principal activity

The Company was incorporated in Nigeria as a private limited liability company on 22nd March 1992 and commenced business on 18th September, 2003.

The Company is principally engaged in the business of providing Trust services, Wills drafting services, short term finance and equipment leasing.

Operating results

The highlights of the Company's operating results for the year ended 31 December 2025 is as follows:

	Company 31-Dec-25	Company 31-Dec-24
	N'000	N'000
The Directors are of the opinion that the year ended 31 December, 2025 financial statements give a true and fair view of the state of affairs of the Company.		
Gross Revenue	1,432,906	999,640
Profit before tax	788,136	1,861,781
Income tax expense	(163,727)	(39,157)
Profit for the year	624,409	1,822,625
Other comprehensive Income/(Loss)	135,239	(1,177,128)
Total comprehensive income	759,648	645,497
Earnings per share (kobo) - Basic/diluted	0.62	1.82
Profit attributable to:		
- Owners of the Company	624,409	1,822,625
	624,409	- 1,822,625
Appropriation of profit attributable to owners of the company		
<i>Transfer to:</i>		
- Fair value reserve -OCI	135,239	(1,177,128)
- Retained earnings	624,409	1,822,625
	759,648	- 645,497

Dividends

The dividend declared and paid in 2025 was N200million at 20kobo per share in respect of 2024 financial year. A dividend of N225million at 22.5Kobo per share will be proposed at the next annual general meeting in respect of the year ended 31 December 2025. This has been disclosed in the financial statements.

Directors and their interest

In accordance with sections 301 and 302 of the Companies and Allied Matters Act of Nigeria, 2020, Every company shall keep a register showing as respects each director of the company(not being its holiday company) the number, description and amount of shares in, debentures of the company or any other corporate body. The directors who held office, together with their direct and indirect interests in the shares of the company, were as follows:

	Direct 31-Dec-25	Indirect 31-Dec-25	Direct 31-Dec-24	Indirect 31-Dec-24
Mr. Oye Hassan-Odukale	-	36,111,107	-	36,111,107
Mr. Tunde Hassan-Odukale	-	28,888,889	-	28,888,889
Mrs. Fehintola Obatusin	-	-	-	-
Mr. Muftau Oyegunle	-	12,037,032	-	12,037,032
Mrs. Tokunbo Ibrahim-Okuribido	-	-	-	-
Mr. Ayo Wuraola	-	-	-	11,111,107

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

31 December 2025				
No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings	
Share range				
Above 200,000,000	2	81%	807,731,514	81%
20,000,001 - 200,000,000	3	14%	137,222,222	14%
Below 20,000,000	9	5%	55,046,264	5%
Total	14	100%	1,000,000,000	100%
31 December 2024				
No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings	
Share range				
Above 200,000,000	2	81%	807,731,514	81%
20,000,001 - 200,000,000	3	14%	137,222,222	14%
Below 20,000,000	9	5%	55,046,264	5%
Total	14	100%	1,000,000,000	100%

Shareholders with Substantial Interest in Shares

Name of shareholders	Nationality of shareholder	No. of holdings	Percentage of holdings
Leadway Holdings Limited	Nigeria	529,953,734	53%
Haskal Holdings Limited	Nigeria	277,777,780	28%

Property and equipment

Information relating to changes in property and equipment is given in Note 13 to these financial statements.

Donations and charitable gifts

There was NGN0.5million donation during the financial year 2025. 2024 (N5million)

Breakdown of donations and charitable gifts

	2025 NGN'000	2024 NGN'000
Bornu Flood donation	500	5,284

Post balance sheet events

Aside from the dividend of N225million(22.5kobo per share) proposed by the Board of Directors (Dec 2024: 20k) there were no other events subsequent to the financial date which require adjustment to, or disclosure in, these financial statements.

Diversity in Employment

The Company is an equal opportunity employer. Its recruitment process is devoid of any form of racial, gender or religious bias. The Company boasts of a diverse and modern workforce made up of individuals (male and female) with varying skills, backgrounds and experiences. The inclusive environment promotes equity and self-belief among employees and discourages all forms of discrimination.

Employment of disabled persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development.

Health, safety and welfare of employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

The Group also operates a contributory pension plan in line with the Pension Reform Act, 2014. It is also fully compliant with the provisions of the Employee Compensation Act. Employees are also covered under the Group Personal Accident and Workmen's Compensation Insurance schemes.

Employee involvement and training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Thus, the Company provides opportunities for employees to deliberate on issues affecting them, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. Consequently, employees are sponsored for various training courses both locally and internationally.

Directors' interests in contracts

In accordance with sections 302 and 303 of the Companies and Allied Matters Act of Nigeria, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year (2024: Nil).

Auditors

Messrs KPMG professional will be leaving in accordance with section 401 (2) of the companies and Allied Matters Act of Nigeria, 2020. Therefore, the company is currently going through a tender process to present a new Auditor at the next annual general meeting of the company for the ratification of the Shareholders.

BY ORDER OF THE BOARD



Olumide Hanson

RC/2019/PRO/NBA/004/00000019064

Company Secretary

121/123 Funso Williams Avenue

Iponri, Lagos

27 February, 2026

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

In accordance with IFRS accounting standards as issued by International Accounting Standard Boards (IFRS Standards) and in the manner required by the provisions of Sections 377 and 378 of the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2011 (as amended), the Directors accept responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss for the year ended 31 December, 2025 and in so doing they ensure that:

- Proper accounting records are maintained
- Applicable accounting standards are followed
- Suitable accounting policies are adopted and consistently applied
- Judgments and estimates made are reasonable and prudent
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business
- Internal control procedures are instituted which as far as reasonable possible, safeguards the assets of the Company and prevent and detect fraud and other irregularities

The Directors are of the opinion that the year ended 31 December, 2025 financial statements give a true and fair view of the state of affairs of the Company.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of financial control.

The Directors have made an assessment of the company's ability to continue as a going concern.

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

Signed on behalf of the Board of Directors:



Oye Hassan-Odukale

Chairman

FRC/2013/IODN/00000001963

Dated: 27 February, 2026.

Statement of Corporate Responsibilities in relation to the financial statements for the year ended 31 December 2025

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and Financial Controller, hereby certify the financial statements of the Leadway Trustee Limited for the year ended 31 December 2025 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2025.
- b) That 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 Company as of and for, the year ended 31 December 2025.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the companies, during the period end 31 December 2025.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Sola Seweje
Chief Executive Officer
FRC/2013/CISN/00000004036
27 February, 2026



Seyi Ogundeyi
Financial Controller
FRC/2014/ICAN/0000000692
27 February, 2026

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Leadway Trustees Limited is committed to adhering with high standards of good corporate governance at all levels of its operations. The Board of Directors has taken steps to ensure the implementation of corporate governance principles that guarantee fairness, accountability and transparency in all its dealings within and outside the Company. Leadway Trustees Limited complies with all laws, regulations, rules and guidelines, applicable to its business, including the Code of Business Ethics and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council (FRC), Nigeria.

A.COMPOSITION OF DIRECTORS

The Board of Leadway Trustees Limited comprises a total of five (5) directors as at 31 December 2025. This includes the Chairperson, (who is a Non-Executive Director), one Independent Non-Executive Director and three other Non-Executive Directors. The members of the Board are reliable, skilled and bring to the Board decades of experience and expertise which positively impact the oversight responsibility of the Board. Their level of expertise has manifested in the strategic direction of the company and continuous high quality of management policies formulated.

B.SEPARATION OF THE ROLE OF THE CHAIRPERSON FROM THE CHIEF EXECUTIVE OFFICER

The way and manner the company structured the roles of the Chairperson and the Chief Executive Officer (CEO) has assisted in averting overlap of roles. The Chairperson who is first among equals is responsible for the overall leadership of the Board and for creating enabling environment for the effectiveness of individual directors, while the CEO is responsible for the day-to-day running of the company to achieve overall efficiency of management controls. This is done in accordance with the Nigerian Code of Corporate Governance 2018.

C. DIVERSITY

Leadway Trustees Limited is well abreast with the importance of diversity to the continuity of the company and this facilitates valuable discuss at the Board level. This better reflects the company's relationship with all of its stakeholders and allows the company to attract and retain its talents, particularly women. The company has its diversity policy and has established a balanced gender diversity on the Board with a female to male proportion of 40% to 60%. Also, the company maintains a 69% to 31% proportion of female to male employees of the company, out of which majority of the Senior Management members are female. The company is committed to improving other dimensions on diversity to reflect global best standard and will reflect its efforts in future disclosures.

D. PROCESS OF BOARD APPOINTMENT

The process for the selection, nomination and appointment of a candidate to the Board is essential to ensure the Company has an optimum combination of experience and commitment and improve the effectiveness of the Board.

Potential candidates are identified by referrals of suitably qualified individuals from other Directors; and/or engaging external consultants that will present diverse candidates from the pool of candidates sourced.

Due to the size of the Company, the oversight responsibility of the Board is not delegated to the Nomination, Remuneration and Governance Board Committee. As such, the Board being guided by the Succession and Diversity policies in its engagement, takes on the responsibility to interview the suitable candidates, having regard to the expertise, integrity, qualification, age, experience, positive attributes, independence, competency, relationships, industry standing, diversity of gender, background, professional skills and personal qualities required to operate successfully as director.

Board Training and Induction

The Chairperson, in conjunction with the Company Secretary, is responsible for ensuring that induction programmes are conducted for new Directors and a continuing education programme is in place for all Directors. The continuing education is expected to assist directors to consistently familiarize themselves with their roles and responsibilities, Corporate Governance, the Company's strategic plan, operations, and the business environment within which the company operates.

CORPORATE GOVERNANCE REPORT

The company has a training policy which requires new directors to undergo an Orientation and Induction programme. This is expected to hold within three months of the director's appointment and entails an engagement with the Management of the company coordinated by the Company Secretary. The various sessions provide directors with understanding of the company's business, current strategy/business plan, Organization Structure, delegation of authority, Board and Board Committees' annual plan, Corporate Governance and Risk Management information, the company's Board approved policies and Code of Conduct and Ethics.

Directors are encouraged to attend internal and external seminars and workshops that are organized on the financial standards, the objects of the company and new development within Corporate Governance in order to enhance their skills and knowledge.

During the year, the directors of the company attended the following training to enhance their knowledge in the discharge of their duties within the company:

- ▣▣ Training for Directors on Nigeria Tax Reforms – Impact of Recent Amendments, facilitated by PwC| PricewaterhouseCoopers.
- ▣▣ Emerging Trends in the Trust Business and the Role of the Board in Positioning

E. BOARD EVALUATION

The evaluation of the directors on Board effectiveness is fundamental in the Board Governance Structure. This evaluation entails a rigorous evaluation process conducted every year to assess the performance of the Board, individual directors and assessment of the Corporate Governance Practices.

This exercise has been previously carried out in 2024 by PricewaterhouseCoopers (PwC) in compliance with the Nigerian Code of Corporate Governance 2018. The evaluation for 2025 was also carried out by PwC and the outcome of the exercise was reported to the Board and the sectoral regulator

This exercise involved the use of Board Effectiveness Maturity Assessment Model which allows for quantitative performance assessment with a road map to improvement. This tool adequately assisted in the evaluation of the effectiveness of directors on the Board.

PwC understands the expectation on Corporate Governance and is expected to improve on the Evaluation carried out in the prior year, measure the extent of resolution of the gaps identified and provide an independent assessment report.

F. DIRECTORS STANDING FOR RE-ELECTION

In compliance with Section 285 (1) and (2) of the Companies and Allied Matters Act 2020, one-third of the company's directors are required to retire by rotation at the Annual General Meeting (AGM). This is applicable to directors who have been longest in office since their last election.

Consequently, Mrs. Tokunbo Ibrahim-Okuribido is up for retirement and is eligible for re-election at the next Annual General Meeting. She has offered herself for re-election.

The Board is proposing her re-election to the Shareholders for approval, having satisfied itself that she is qualified based on her valuable contribution at Board meetings, deliverables on the expectations in relation to her role and responsibilities and continuing value to the Board through in-depth reasoning, knowledge, experience and expertise.

G. BOARD RESPONSIBILITY

The Board is saddled with the responsibility of making policies for the company, reviewing corporate performance, monitoring strategic decisions while ensuring regulatory compliance, safeguarding shareholders' interest and fulfilling the expectations of stakeholders. The Board met seven (7) times in the last financial year and through their leadership, the company was able to achieve its set objectives. The record of the attendance is provided below:

Meetings Held	1	2	3	4	5	6	7
Name	28th February, 2025	6th March, 2025	20th March 2025	29th April, 2025	25th July, 2025	24th October, 2025	4th December, 2025
Mr. Oye Hassan-Odukale (Chairman, Non-Executive)	√	√	√	√	√	√	√
Mr. Tunde Hassan-Odukale (Non-Executive)	√	√	√	√	√	√	√
Mrs. Fehintola Obatusin (Non-Executive)	√	√	√	√	√	√	√
Sir. Muftau O. Oyegunle (Non-Executive)	√	√	√	√	√	√	√
Mrs. Tokunbo Ibrahim-Okuribido (Non-Executive, Independent)	√	√	√	√	√	√	√

Key:

√ - Present

(NYA) - Not yet appointed

(*) - Apologies

NLD - No Longer Director

CORPORATE GOVERNANCE REPORT

H. COMMITTEES OF THE BOARD

The Board committees have been engineered to ensure proper coordination and effectiveness and these committees are saddled with responsibilities which are aimed at enhancing the operations of the company. The company has constituted two (2) Board Committees; Nomination, Remuneration & Governance Board Committee and Audit & Credit Risk Management Board Committees. However, in view of the size and operations of the company and the Board, the Board has always exercised its oversight responsibilities without the need to delegate to the Board Committees.

I. CUMMULATIVE YEARS OF SERVICE

a. TENURE OF DIRECTORS

The tenure of each of the company's Non-Executive Director is for a defined period and can be re-elected for additional terms subject to satisfactory performance and approval by the shareholders. However, the principles of Nigerian Code of Corporate Governance 2018 caps the tenure of an Independent Non-Executive Director at a cumulative term of nine years.

The cumulative years of service of the company's directors as at 31st December, 2025 is stated below:

Directors				Date of Admission	Years of Service
Mr. Oye Hassan-Odukale (Chairman, Non-Executive)				18 th September, 2003	22 years, 3 months
Mr. Tunde Hassan-Odukale (Non-Executive)				18 th September, 2003	22 years, 3 months
Mrs. Fehintola Obatusin (Non-Executive)				18 th September, 2003	22 years, 3 months
Sir. Muftau O. Oyegunle (Non-Executive)				18 th September, 2003	22 years, 3 months
Mrs. Tokunbo Ibrahim-Okunibido (Non-Executive, Independent)				1st July, 2022	3 years, 7 months

b. EXTERNAL AUDITOR

The Company considered possible replacements through a tender process and after careful review of the value proposition of the bidders and the commitment to avoid potential conflict of interests in relation to non-audit services and ensure the independence of the auditor, KPMG was selected and approved by the company's shareholders.

The Audit Partner leading the 2025 financial audit is Akinyemi Ashade following the rotation of the former audit partner; Kabir Okunlola in 2023.

J. STATEMENT ON AVAILABILITY OF CODE OF BUSINESS CONDUCT AND ETHICS

The company has a Board approved Code of Business Conduct and Ethics which sets out broad principles and practices that guide each and every member of the Board, Management and employees in their conduct and decision making for the company.

The directors, Management and employees are abreast with the Code of Business Conduct and Ethics and have declared their understanding of their fiduciary duty to shareholders and other stakeholders of the Company.

K. HIGHLIGHTS OF HUMAN RESOURCES MANAGEMENT

HR POLICY HIGHLIGHTS

The Company continues to review its governance frame works, risks as well as proactively design human resource practices that will enable it thrive as dynamics of the workplace evolves. The Human Resources policies are reviewed periodically as part of the company's commitment to ensuring continued applicability and growing changes in the Human Resource space and workspace dynamism.

The company has maintained hybrid model of work and embraced the concept of Micro-workers, Mobile workers, Gig workers etc. The various technologies utilized for hybrid work models continue to set us apart while enhancing collaboration and delivery of excellent service to customers.

The Company has adapted the underlined Human Resources policies of the group company. These policies are reviewed periodically as part of the company's commitment to ensure continued applicability and growing changes in the Human Resource space and workspace dynamism.

In furtherance of our strategy, we will continue to embrace multiple change management approaches that guarantee a Customer experience culture that provides value to our stakeholders.

CORPORATE GOVERNANCE REPORT

• **Performance Management Policy** is to establish and maintain a performance culture, creates an enabling environment for employees to develop their abilities and achieve optimal possible potential to ensure the existence of workplace where the staff performance review process is fair, consistently applied and shall not be perceived nor used as a punitive system. The process is designed to measure the achievement of individual and company strategic goals.

• **Recruitment & Selection Policy** seeks to attract, select, recruit and retain people with the right skill set, expertise, experience and qualifications to meet business aspirations, whilst offering a rewarding and fulfilling career with opportunities for growth and personal development. The recruitment process is driven by the Workforce plan, utilizing the Build, Borrow and Buy strategy.

• **Compensation & Benefit Policy** adopts a compensation philosophy that ensures employees are equitably remunerated within competitive market salary scales to drive and reward excellent performance utilizing global recognized frameworks. The aim is to maintain a pay structure that attracts, motivates and retains the highest caliber of talents at all levels. These include recognition awards, short and long term incentive pay as well as non-monetary rewards, benefits and perquisites.

WORKPLACE INITIATIVES

• **Capability Building** – One of such is Leader-led sessions, a business continuity initiative that ensures knowledge transfer across the company. It provides the opportunity to directly address knowledge gaps from day to day operation and increase breadth of knowledge in teams. We also have instituted, job rotation and expansions, mentorship and coaching frameworks, Talent Exchange programme and pipeline building, Quarterly Performance Reviews where we proactively assess market dynamics and align our strategies accordingly. We strategically partnered with Functional Experts to drive expertise in functional areas, thereby skilling employees and ensuring they are at par with colleagues globally.

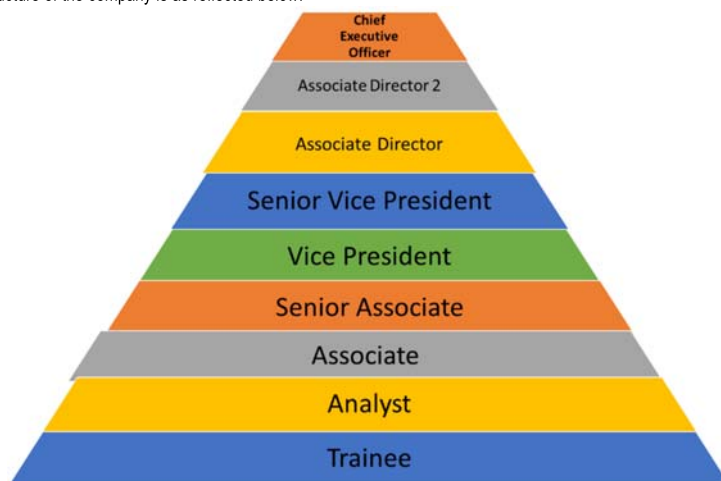
• **Employee Engagement and Support** – The Company recognizes that employee engagement is a key driver of productivity which directly impacts profitability. It has multifaceted initiatives to feel the pulse of the workforce and create tools and drivers for such engagements that drive workplace productivity. These include Annual Engagement Surveys, Town Halls and Village Meetings, Open days, Dial in sessions, CSR events, focus group sessions, power clusters etc. In addition, we practice customized onboarding systems, Team Bonding, Happy Hour, motivational talks, career conversations. We have structured support systems such as fund channels, Health plans and annual medical checks, Gym, Crèche, Corporate Fitness, interdepartmental-games, Employee Wellbeing Sessions as well as Employee Assistance Programs in place to drive and create an exceptional employee experience.

• **Diversity and Inclusion**– As an equal opportunity organization, the company is committed to an inclusive culture that respects and embraces the diversity of employees, clients and community. This aims to attract, develop and retain the best people from all culture, ethnicity, gender, abilities, background and experiences.

• **Culture Audit** – This is a detailed assessment of the organization's culture to help us determine overall working environment, employee sentiments, and unspoken rules around employee interactions and team communication. This will assist the company to determine the critical areas to focus on towards positively increasing employee experience, drive focus on our customer centric culture and achieve our aspirations over the next few years.

INTERNAL MANAGEMENT STRUCTURE

The internal Management Structure of the company is as reflected below.



CORPORATE GOVERNANCE REPORT

L. HIGHLIGHTS OF CASES OF CLAW BACK

In line with the company's Claw Back policy, the Board has reviewed the company's account and financial performance to ascertain if there has been undeserved award arising from the company's account and financial performance that has been materially false, misstated, misleading, erroneous, or there has been instances of misdemeanour, fraud, material violation of Company policy or material regulatory infractions. In line with the company's Claw Back policy, the Board has reviewed the company's account and financial performance to ascertain if there has been undeserved award arising from the company's account and financial performance that has been materially false, misstated, misleading, erroneous, or there has been instances of misdemeanour, fraud, material violation of Company policy or material regulatory infractions.

The Board has satisfied itself that there is no incidence necessitating the company to recover excess or undeserved reward, such as bonuses, incentives, share of profits, or any performance-based reward, from Directors and senior employees

M. FINES AND PENALTIES

This has been disclosed in Note 29.

N. NATURE OF ANY RELATED PARTY TRANSACTIONS

This has been disclosed in Note 32.

O. DIRECTORS' REMUNERATION POLICY

The revised Directors' Remuneration Policy was approved by the Board in January, 2023 and shall apply for another three (3) years except there is an earlier review to ensure its continued appropriateness and applicability. The Policy shall be reviewed in 2026 in line with the approved review period. The remuneration of Non-Executive Directors is not market leading but reflective of the size of the company to profitability, prudence and conservatism of the company while ensuring that directors are fairly remunerated for their valuable contribution at a rate commensurate with the dedication and responsibility of directors.

The remuneration of the CEO is fairly competitive and incentivizes the executives to achieve the business plan, in alignment with the company's long term strategy and to promote the retention of executive directors.

The remuneration of directors takes into primary consideration the performance of the company and prevailing economic situation.

KEY ASPECTS OF THE REMUNERATION POLICY OF DIRECTORS

EXECUTIVE DIRECTORS

Remuneration Elements	Payment mode
Basic Salary Salaries earned during the payroll period.	Monthly
Benefits and Allowance (In cash or kind) An amount paid as Benefits/packages by the company to meet the basic needs.	Quarterly, Annually
Variable Pay: A performance based sum awarded to Executive Directors for attaining or exceeding their assigned KPIs.	Annually and dependent on attainment of defined: Gross Revenue, Profit Before Tax (PBT), Taxes, Return on Invested Capital (ROIC) and performance of Leadway Trustees.

NON-EXECUTIVE DIRECTORS

Category- Fixed/Variable	Component	Component description
Fixed	Fees	A fixed annual sum provided to Non- Executive Directors for their ongoing contribution to the Board and as an incentive to attract and retain talent. This is payable on a quarterly basis.
Fixed	Meeting/ Sitting allowance	A payment made to Non-Executive Directors on a per-meeting basis. This is conditioned on attendance (physical or virtual) which is a prerequisite for remittance.

Highlights of the remuneration paid to directors is contained in the "Notes" in this report.

P. SUMMARY OF RISK MANAGEMENT FRAMEWORK

The Summary of the Risk Management Framework is contained in the Risk Management disclosures on pages 36 - 41.

CORPORATE GOVERNANCE REPORT

Q. STATEMENT ON THE COMPANY'S ESG ACTIVITIES

Leadway Trustees Limited as part of the Leadway Group is committed to being a leading force in Africa strengthening societies' risk-resilience, protecting people, and preserving the environment that sustains us. To enhance its response to ESG, Leadway Group has developed a robust ESG strategy partnership with a top-tier consulting firm to foster a culture of change and drives meaningful action from both our internal and external stakeholders toward achieving sustainability.

Our ESG pillars focus on community and customer resilience, workforce evolution governance and transparency, innovation for shared value and environmental responsibility. We will continue to collaborate with our partner consultants to refine our ESG strategy, ensuring that it builds customer centricity through more sustainable operations, supports communities in becoming more resilient to natural catastrophes through preventive measures, and delivers long-term value for shareholders.

Leadway has identified its material ESG risks and opportunities, including greenhouse gas emissions, net premiums written related to energy efficiency and low-carbon technology, and customer retention rate, in alignment with SASB requirements.

We are dedicated to running an impactful and responsible business, which drives our commitment to corporate social responsibility. We actively support programs and initiatives that positively impact the less privileged, including assisting people with disabilities, supporting public schools, and helping internally displaced persons nationwide. We firmly believe that conducting business ethically means creating value not just for the organization but also for society.

Our ultimate goal is to operate with integrity, balancing the needs of the economy, the environment, and society. We are committed to working alongside our stakeholders who share our ambition because we believe that through collective effort, we can drive meaningful and lasting impact.

R. STATEMENT ON THE BOARD'S LEVEL OF APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Board of Leadway Trustees Limited is sufficiently compliant with the Nigerian Code of Corporate Governance 2018 and will continue to improve on its governance processes to ensure it attains established maturity level of governance and adequate compliance with the Code.

BY ORDER OF THE BOARD



Olumide Hanson
FRC/2019/NBA/00000019064
Company Secretary
121/123 Funsho Williams Avenue, Iponri, Surulere, Lagos.
Dated: 27 February, 2026



25 March 2026

The Chairperson
Leadway Trustees Limited
121/123 Funsho Williams
Iponri, Surulere
Lagos

Dear Sir,

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

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Board of Directors and governance of Leadway Trustees Limited ("Leadway Trustees") or ("the Company") as required by Principles 14.1 and 15.1 of the Nigerian Code of Corporate Governance 2018 ("the NCCG"), SEC Corporate Governance Guidelines ("the SCGG") and Companies and Allied Matters Act, 2020 ("CAMA") for the period ended 31 December 2025.

Our responsibility was to assess the corporate governance practices of the Company, and assess the performance of the Board of Directors within the scope of our Letter of Engagement dated 12 December 2025. We also facilitated a Self and Peer Assessment of each Director's performance in the year under review. This assessment covered each Director's time commitment to the business of the Company and continuous learning and development. Each Individual Director's Assessment Report was prepared and made available to them respectively, while a consolidated report of the performance of all Directors was submitted to the Board Chairman.

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

The Company and the Board of Directors have complied significantly with the provisions of the Codes. Areas of compliance include the Board's provision of strategic direction and oversight to Management as well as oversight of the financial and non-financial reporting. Details of our other findings and recommendations are contained in our report.

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

Yours faithfully,

Chioma Obaro
Partner

www.pwc.com/ng

PricewaterhouseCoopers
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,
Lagos, Nigeria
T: +234 2012711700, www.pwc.com/ng LIRS payer ID: C-307409
BN: 958268 TIN: 01556757-0001

Partners: S Abu, O Adekoya, T Adeleke, G Adepetu, W Adetokunbo-Ajayi, S Adu, A Akingbade, O Alakhume, A Alitebi, C Azobu, A Banjo, E Erhie, K Erikume, H Jaiyeola, T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojinmah, O Oladipo, W Olowofoyeku, P Omontuemen, O Osinubi, T Oyaniran, O Ubah, Y Yusuf

Management Assessment of Internal Control over Financial Report

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025

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

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

As of December 31, 2025, the management Leadway Trustees Limited did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2025 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 14 – 15 of the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Sola Seweje
Chief Executive Officer
FRC/2013/CISN/00000004036
27 February, 2026



Seyi Ogundeyi
Financial Controller
FRC/2014/ICAN/0000000692
27 February, 2026

Management Certification of Internal Control Over Financial Reporting

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

I, Mrs. Sola Seweje, certify that:

- (a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Leadway Trustees Limited ("the Company");
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- (d) The Company's other certifying officer and I:
 - (1) are responsible for establishing and maintaining internal controls;
 - (2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;
 - (3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - (4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Board of Directors:
 - (1) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system
- (f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation

SIGNED ON BEHALF OF THE DIRECTORS BY:



Sola Seweje
Chief Executive Officer
FRC/2013/CISN/00000004036
27 February, 2026

Management Certification of Internal Control Over Financial Reporting

I, Mr. Seyi Ogundeyi, certify that:

(a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Leadway Trustees Limited ("the Company");

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

(c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

(d) The Company's other certifying officer and I:

(1) are responsible for establishing and maintaining internal controls;

(2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;

(3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

(4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Board of Directors:

(1) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system

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

SIGNED ON BEHALF OF THE DIRECTORS BY:



Seyi Ogundeyi

Financial Controller

FRC/2014/ICAN/0000000692

27 February, 2026

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
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Independent Auditor's Limited Assurance Report

To the Shareholders of Leadway Trustees Limited

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting**Conclusion**

We have performed a limited assurance engagement on whether internal control over financial reporting of Leadway Trustees Limited ("the Company") as of 31 December 2025 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

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

Basis for conclusion

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

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

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

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

Other matter

We have audited the financial statements of Leadway Trustees Limited in accordance with the International Standards on Auditing, and our report dated 27 March 2026 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.



Responsibilities for Internal Control over Financial reporting

The Board of Directors of Leadway Trustees Limited is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

Our responsibilities

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

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

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

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

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Akinyemi Ashade
FRC/PRO/2013/ICAN/004/00000000786
For: KPMG Professional Services
Chartered Accountants
27 March 2026
Lagos, Nigeria



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leadway Trustees Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leadway Trustees Limited ("the Company"), which comprise:

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

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

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Chairman's Statement, Directors' Report, Statement of Directors' Responsibilities in relation to the financial statement, Statement of Corporate Responsibilities, Corporate Governance report, Report on the Effectiveness of Internal Control over Financial Reporting, Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting and Other National Disclosures, but does not include the financial statements and our auditor's report thereon.

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



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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

Report on Other Legal and Regulatory Requirements

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

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

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2025. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 27 March 2026. That report is included on pages 18-19 of the annual report.

Signed:

Ashade Akinyemi
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
27 March 2026
Lagos, Nigeria



STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Nigerian Naira)

	Notes	31 December'2025	31 December'2024
Assets			
Cash and cash equivalents	5	2,393,594	3,112,169
Investment securities			
- At fair value through other comprehensive income	6b	7,329,539	7,255,197
- At fair value through profit or loss	6a	-	66,720
Loans and advances to customers	7	4,281,600	3,372,086
Finance lease receivables	8	311,824	74,700
Trade and other receivables	9	674,590	52,277
Convertible Shareholders Loan Note	10	96,714	96,747
Client trust assets	11	1,524,904	3,177,398
Deferred tax assets	18	24,686	-
Property and equipment	13	95,623	24,259
Total Assets		16,733,074	17,231,553
Liabilities			
Fund in Trust	16	881,850	359,194
Client trust liabilities	11	1,524,904	3,177,398
Current tax liabilities	15	315,915	189,488
Trade and other payables	14	3,261,004	3,405,172
Borrowings	17	446,737	351,500
Deferred tax liabilities	18	-	5,786
Total liabilities		6,430,410	7,488,538
Equity			
Share capital	19	1,000,000	1,000,000
Retained earnings	20	3,817,908	3,400,858
Other Reserves	21	5,484,756	5,342,157
Total equity		10,302,664	9,743,015
Total liabilities and equity		16,733,074	17,231,553

The financial statements were approved and authorised for issue by the Board of Directors on **27 February, 2026** and signed on its behalf by:



Oye Hassan-Odukale
Chairman
FRC/2019/PRO/NBA/004/00000019064



Sola Seweje
Chief Executive Officer
FRC/2013/CISN/00000004036

Additionally certified by:



Seyi Ogundeyi
Financial Controller
FRC/2014/ICAN/0000000692

The accompanying notes and significant accounting policies form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended

(All amounts are in thousands of Nigerian Naira)

	Notes	31 December'2025	31 December'2024
Interest Income	22	1,172,431	892,575
Interest Expense	26	(291,432)	(197,541)
Net Interest Income		880,999	695,034
Fee and commission income	23	260,475	107,065
Fee and commission expense	26(ii)	(2,074)	(2,992)
Net Fee and commission income		258,401	104,073
Net Operating Revenue		1,139,399	799,107
Other operating income	24	391,367	1,839,185
Net Income		1,530,766	2,638,292
Impairment charge on loans and advances	25	(2,977)	(205,141)
Personnel expenses	27	(321,331)	(298,179)
Depreciation and amortisation	28	(20,603)	(11,072)
Other operating expenses	29	(397,719)	(262,119)
Profit before tax		788,136	1,861,781
Income tax expenses	15	(163,727)	(39,157)
Profit for the period		624,409	1,822,625
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investment at FVOCI-net change in fair value	21	135,239	(1,177,128)
		135,239	(1,177,128)
Other Comprehensive Income,net of tax		135,239	(1,177,128)
Total comprehensive income		759,648	645,497
Basic and diluted earnings per share expressed in Naira		0.62	1.82

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December

(All amounts are in thousands of Nigerian Naira)

	Notes	2025	2024
Cashflow from operating activities			
Profit for the period after tax		624,409	1,822,625
Adjustments for:			
Depreciation of property and equipment	13	20,603	11,072
Impairment charge/(writebacks) on loans	25	10,378	(1,057)
Impairment (writebacks)/charge on trade receivables	25	(5,389)	139,849
Foreign currency revaluation loss	24	603	-
Impairment on finance leases	25	(3,836)	11,601
Impairment on shareholders loan note	25	33	55,005
Income tax expense	15	163,727	39,157
Finance cost	26	293,506	200,533
Interest income	22	(1,172,431)	(856,482)
		(68,396)	1,422,302
Changes in loans and advances to customers	7e	(919,892)	(402,097)
Changes in deferred tax assets/(liabilities)	15	(45,645)	-
Changes in finance lease receivables	8a	(233,287)	(86,302)
Changes in trade and other receivables	9a	(616,924)	(137,107)
Changes in Convertible Shareholders Loan Note	10b	-	(53,920)
Changes in trade and other payables	14a	(144,168)	1,814,760
Income tax paid	15a	(22,129)	(98,637)
Net cash generated/(used) from operating activities		(2,050,441)	2,458,999
Cash flows from investing activities			
Acquisition of property and equipment	13	(92,472)	(7,204)
Sales proceeds from disposal of PPE		502	-
Proceeds from disposal of investment securities at FVOCI		85,288	-
Additions to investment securities at FVOCI	6c	42,332	(1,464,628)
Interest received	22	1,172,431	856,482
Net cash from investing activities		1,208,081	(615,351)
Cash flows from financing activities			
Dividends paid	20	(200,000)	(250,000)
Borrowings proceeds	17c	852,173	442,233
Borrowings repaid	17c	(756,935)	(90,732)
Changes in fund in trust- Additions	16b	1,413,504	567,275
Changes in fund in trust-Withdrawals	16b	(890,849)	(754,762)
Finance cost	26	(293,505)	(200,533)
Net cash used in financing activities		124,388	(286,518)
Net decrease in cash and cash equivalents		(717,972)	1,557,129
Foreign currency revaluation loss	24	(603)	-
Cash and cash equivalents at beginning of the year	5	3,112,169	1,555,040
Cash and cash equivalents at end of the year	5	2,393,594	3,112,169

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(All amounts are in thousands of Nigerian Naira)

	Attributable to equity holders			
	Share capital	Retained earnings	Other Reserve	Total equity
Balance at 1 January 2024	1,000,000	1,828,234	6,519,285	9,347,519
Total Comprehensive Income for the period	-	-	-	-
Profit for the period	-	1,822,625	-	1,822,625
Other comprehensive income	-	-	(1,177,128)	(1,177,128)
Total Comprehensive Income for the period	-	1,822,625	(1,177,128)	645,497
Transactions with the equity holders of the Company				
Dividend paid during the year	-	(250,000)	-	(250,000)
Total transactions with the equity holders of the Company	-	(250,000)	-	(250,000)
As previously reported	1,000,000	3,400,859	5,342,157	9,743,016
At 1 January 2025	1,000,000	3,400,859	5,342,157	9,743,016
Total Comprehensive Income for the period				
Profit for the year	-	624,409	-	624,409
Reclassification of gains/(loss) on quoted equity disposal	-	(7,360)	7,360	-
Other comprehensive income	-	-	135,239	135,239
Total Comprehensive Income for the period	-	617,049	142,599	759,647
Transactions with the equity holders of the Company				
Contribution and Distributions				
Revaluation of unquoted equities	-	-	-	-
Dividend paid during the year	-	(200,000)	-	(200,000)
Total transactions with the equity holders of the Company	-	(200,000)	-	(200,000)
At 31 December 2025	1,000,000	3,817,908	5,484,757	10,302,663

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

1 Reporting Entity

Leadway Trustees Limited ("Leadway Capital" or the Company) is a company incorporated and domiciled in Nigeria. The address of its registered office is 121/123 Funso Williams Avenue, Iponri, Surulere, Lagos. The Company was incorporated under Companies and Allied Matters Act, 2020 as a private limited liability company on 22 March, 1995. The Company is principally engaged in the business of providing trust management, investment management and related financial services to its customers. Such services include the provision of loans and advances to corporate and individual customers.

2 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS standards). Additional information required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended) has been included where appropriate.

The financial statements comprise of the statement of financial position, statement of profit/loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements.

The Directors approved the financial statements on 27 February, 2026.

3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for the following:

- Financial instruments measured at fair value through other comprehensive income.

3.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Nigerian Naira (N) which is the Company's functional currency and presentation currency.

All amount have been presented in thousands of Naira (except otherwise stated).

3.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements are presented fairly. This is applicable to notes no 6, 7, 8 and 9.

3.4 Changes in material accounting policies

The Company does not have changes in material accounting policies in the current period. The company has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below (**Notes 3.4a - 3.16**). These policies have been consistently applied to all the years presented except for the new standards below (Sub-notes (i), (ii) and (iii)).

(a) IFRS 9: Financial instruments

The company adopted IFRS 9, Financial instruments in the valuation of all its financial assets and liabilities.

ai Initial measurement of financial instruments

Under IFRS 9 all financial instruments are initially measured at cost which represents the fair value, in the case of a financial asset or financial liability, not at fair value through profit or loss, transaction costs.

aii Financial assets: subsequent measurement

Financial asset classification and measurement is an area where many changes have been introduced by IFRS 9. The classification of a financial asset is determined at initial recognition, however, if certain conditions are met, an asset may subsequently need to be reclassified.

Subsequent to initial recognition, all assets within the scope of IFRS 9 are measured at:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit or loss (FVTPL).

The FVTOCI classification is mandatory for certain debt instrument assets unless the option to FVTPL ('the fair value option') is taken.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

Whilst for equity investments, the FVTOCI classification is an election. The requirements for reclassifying gains or losses recognised in other comprehensive income (OCI) are different for debt and equity investments. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognised directly in profit or loss. The difference between cumulative fair value gains or losses and the cumulative amounts recognised in profit or loss is recognised in OCI until derecognition, when the amounts in OCI are reclassified to profit or loss.

aii Classification and measurement of financial assets

Financial assets, which include both debt and equity securities are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and (b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt and equity instruments are measured at FVTPL.

The Company has irrevocably elected to measure unquoted equity instruments at FVOCI.

b. Business model assessment

The Company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve its business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.

The Company's business models fall into three categories, which are indicative of the key strategies used to generate returns:

- Hold-to-Collect (HTC): The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

c. Solely for Payment of Principal and Interest (SPPI) Assessment

Instruments held within a HTC or HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

i Derecognition of Financial Instruments

Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity's statement of financial position. In general, IFRS 9 criteria for derecognition of a financial asset aim to answer the question whether an asset has been effectively 'sold' and should be derecognised or whether an entity obtained a kind of financing against this asset and simply an additional financial liability should be recognised.

Derecognition of financial liabilities

Derecognition is the removal of a previously recognised financial liability from an entity's statement of financial position. An exchange between an existing borrower and lender of debt instruments with substantially different terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

d. Investment securities

- (i) All investment securities are initially recorded at fair value and subsequently measured according to the respective classification. Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized. Dividends from FVOCI equity securities are recognized in other operating income. The Company accounts for all securities using trade date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI. Equity securities are measured at fair value through profit or loss under IFRS 9.

(ii) Investment in unquoted equities

IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Equity instruments

All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'. There is no 'cost exception' for unquoted equities.

'Other comprehensive income' option

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss. The company has made an irrevocable election at fair value through other comprehensive income for all our unquoted equities.

e. Loans and advances

Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses. Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as interest income over the expected term of such loans using the effective interest method.

f. Allowance for credit losses

An allowance for expected credit losses (ECL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans and receivables, bank balance and debt instruments and other assets. These are carried at amortised cost and presented net of ECL on the Statement of Financial Position. ECL on loans is presented in Allowance for expected credit losses - loans and receivables.

We measure the ECL at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:

1) Performing financial assets:

- Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.
- Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.
- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset. The Stage 3 expected credit loss impairment model is based on changes in credit quality since initial recognition. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon. Write-offs and recoveries of amounts previously written off are recorded against ECL. The ECL represents an unbiased estimate of expected credit losses on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ECL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

g. Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation that allows for appropriate incorporation of forward looking information. Expected credit losses are discounted to the reporting period date using the effective interest rate.

h. Assessment of significant increase in credit risk

The assessment of significant increase in credit risk requires significant judgment. The Company's process to assess changes in credit risk is based on the use 'backstop' indicators. Instruments which are more than 30 days past due may be credit impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

The following are considered as exceptions:

1. Outstanding obligation is a result of an amount being disputed between the Company and obligor where the dispute is not more than 90 days.
2. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

The assessment is generally performed at the instrument level and it is performed at least on quarterly basis. If any of the factors above indicate that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2. The assessments for significant increases in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1 after 90 days.

Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired after 90 days. An asset will not move back from Stage 3 to Stage 1 until after a minimum of 180 days, if it is no longer considered to be credit impaired.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default, and the borrower has the ability to fulfill their contractual obligations both in the near term and in the longer term, including periods of adverse changes in the economic or business environment.

i. Use of forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in our expected credit loss calculation includes a projection of all relevant macroeconomic variables applying scenario weights. Macroeconomic variables used in our expected credit loss models include GDP growth rate, interbank FX rates, inflation rate, crude oil prices and population growth rate.

Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Additional and more severe downside scenarios are designed to capture material non-linearity of potential credit losses in portfolios. Scenario design, including the identification of additional downside scenarios, occurs at least on an annual basis and more frequently if conditions warrant.

Scenarios are designed to capture a wide range of possible outcomes and weighted according to our best estimate of the relative likelihood of the range of outcomes that each scenario represents. Scenario weights take into account historical frequency, current trends, and forward-looking conditions and are updated on a quarterly basis. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities. Our assessment of significant increases in credit risk is based on changes in probability-weighted forward-looking lifetime PD as at the reporting date, using the same macroeconomic scenarios as the calculation of expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

j. Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:

- The Company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Company to actions such as realising security (if held).
- The obligor is past due more than 30 days on any material credit obligation to the Company (principal or interest).
- Interest payments equal to 30 days or more have been capitalized, rescheduled, rolled over into a new loan (except where facilities have been reclassified).

The elements to be taken as indications of unlikelihood to pay include:

- The Company sells the credit obligation at a material credit-related economic loss.
- The Company consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.
- The Company has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the Company

The following are considered as exceptions:

- a. Outstanding obligation is a result of an amount being disputed between the Company and obligor where the dispute is not more than 150 days;
- b. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on case by case basis.

k. Credit-impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each balance sheet date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status of the borrower or economic conditions that correlate with defaults.

A loan is considered for transfer from Stage 2 to Stage 1 where there is significant improvement in credit risk and from Stage 3 to Stage 2 (declassified) where the facility is no longer in default. Factors that are considered in such backward transitioning include the following:

- i) Declassification of the exposure by the credit risk management system;
- ii) Improvement of relevant credit risk drivers for an individual obligor (or pool of obligors);
- iii) Evidence of full repayment of principal or interest.

Generally, the above are to represent an improvement in credit risk to warrant consideration for a backward transition of loans. Where there is evidence of significant reduction in credit risk, the following probationary periods should apply before a loan may be moved to a lower stage (indicating lower risk):

Transfer from Stage 2 to 1: 90 days

Transfer from Stage 3 to 2: 90 days

Transfer from Stage 3 to 1: 180 days

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ACL. Following impairment, interest income is recognized on the unwinding of the discount from the initial recognition of impairment.

l. Write-off of loans

Loans and the related ECL are written off, either partially or in full after board's approval, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier.

m. Classification and measurement of financial liabilities

The Company recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts. Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Company classifies its financial liabilities as measured at amortised cost. Borrowings and Funds-in-Trust are included as part of financial liabilities measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

n Revenue recognition

n.(i) Interest income

Interest income for all interest bearing financial instruments, except for those classified at fair value through profit or loss, are recognised in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset.

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

n(ii) Investment income

Investment income comprise interest income earned on short term deposits, rental income, dividends, rent receivable, realized gains and losses, and unrealized gains and losses on fair value assets. It is accounted for on accrual basis.

Dividend earned is recognised when the right to receive income is established. Dividends are reflected as a component of investment income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period.

n(iii) Fees and commission income

Fees and commission income that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. Fees and commission income including wills fees and trust fees are recognised as the related services are performed.

n(iv) Net trading gain/(loss)

Net trading gains/(loss) comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences. Net gains or losses on financial instruments measured at fair value through profit or loss are also included in net trading income.

o Income tax

Income tax expense comprises current and deferred tax. Income tax expense (Company Income Tax- 30% of annual profit, Tertiary Education Tax -3% of annual profit, National Information Technology Development Agency Levy- 1% of annual profit, Police Trust Fund Levy)-0.005% of annual profit is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or OCI. The company as determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore has not accounted for them under IAS 37 Provisions Contingent Liabilities and Contingent Assets.

Current tax liability is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

p Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, current balances with banks and placements with banks (with an original maturity of three months or less) which are used by the Company in the management of its short-term commitments. The same definition applies to cash and cash equivalents in the statement of cash flows.

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

q Trade and other receivables

Trade receivables are amount due from customers for services performed in the ordinary course of business. Collections of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer) are classified as current assets and if not, they are presented as non-current assets.

Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

r Property and equipment

r(i) Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

r(ii) Subsequent costs

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

r(iii) Depreciation

Depreciation is charged on items of property and equipment immediately they are ready for use. Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values for the current and comparative period over their estimated useful lives, as follows:

Equipment	-	33 $\frac{1}{3}$ %
Furniture and fittings	-	20%
Computer hardware	-	25%
Motor vehicles	-	20%
Work in progress	-	Not depreciated
Leasehold Improvement	-	20% or for the period of the lease.

Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

r(iv) Derecognition

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

r(v) Intangible assets

Intangible assets acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

r(vi) Derecognition of Intangible Assets

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset. It is recognised in profit or loss when derecognition occurs. Gains shall not be classified as revenue.

s Funds held in trust

Funds held in trust represent cash deposits and other assets made by various customers and living trust clients with the Company. The deposits are accounted for at cost and accrued interest. Investments purchased with the funds and the related receipts and payments are accounted for in line with IFRS 9 Financial Instruments (Assets and Liabilities).

t Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest rate method. Any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

u Share capital and retained earnings

u(i) Share capital

The company classifies ordinary shares as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes. Dividends proposed by the Directors but are not approved by the members are disclosed in the financial statements in accordance to the requirement of Company and Allied Matters Act, 2020.

u(ii) Earnings per share

The Company 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 Company by the weighted average number of ordinary shares outstanding during the period.

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

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

v New standards, interpretations and amendments to existing standards that are not yet effective as at year end 1st January 2026.

New or amended standards	Possible impact on financial statements	Summary of requirement and impact assessment
Classification and Measurement of IFRS 9 and IFRS 7	The amendment is not expected to have a significant impact on the annual financial statements	In May 2024, the IASB issued Amendments to the Classification and Measurements of Financial Instruments, which amended IFRS 9 and IFRS 7. The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to: (i) recognition and derecognition, including accounting for settlements of financial liabilities using an electronic payments system; and (ii) assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.
IFRS 19 Subsidiaries without Public Accountability	The amendment is not expected to have a significant impact on the annual financial statements	A subsidiary that does not have public accountability, and has a parent that produces consolidated accounts under IFRS Accounting Standards, is permitted to apply IFRS 19. Subsidiaries that currently apply the IFRS for SMEs Accounting Standard or local GAAP in their statutory financial statements will no longer need to prepare two sets of accounts for group reporting purposes if IFRS 19 is applied. The Standard is effective as from 1 January 2027.
IFRS 18 Presentation and Disclosure in Financial Statements	The amendment is not expected to have a significant impact on the annual financial statements	IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements. • Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. • Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. • Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.
Other accounting standards	The amendments are not expected to have a significant impact on the annual financial statements	The following amendments to accounting standard with effective date of 1 January 2026, are not expected to have a significant impact on the Company's financial statements: (i) Contracts referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). (ii) Annual Improvements to IFRS Accounting Standards- Volume 11. The Standards include; - IFRS 1 First-time Adoption of International Financial Reporting Standards; - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; - IFRS 9 Financial Instruments; - IFRS 10 Consolidated Financial Statements; and - IAS 7 Statement of Cash flows

The above mentioned amendments does not have any material impact on the Company. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

4. Risk Management Framework

Governance and Culture

Leadway Trustees Limited governance and culture is an integral part of Corporate Governance which is essential for effective risk management. A sound governance structure will help to provide oversight of risk management and ensure an effective route for risk escalation. It spells out the accountabilities and expectations for all relevant stakeholders, including roles and responsibilities for the board, management and employees. We operate and maintain the 'three lines of defense model' for the oversight and management of risk to create and promote a culture that emphasizes effective management and adherence to operating controls as illustrated below:

1st Line – Risk Ownership & Management

The Board, management and line managers: It involves a broad setting of strategy, performance measurement, establishment and maintenance of internal control and risk management in the business. The management and staff in this group own the responsibility to identify, assess, control, report and monitor the risks in their respective units/departments, thereby ensuring an informed risk and reward balance.

2nd Line - Risk Oversight Function

The risk management function provides oversight and independent reporting to executive management, implements risk management policies in the business units, approves risk-specific mandates and provides an independent overview of the effectiveness of risk management by the first line of defence. Other internal stakeholders in the role include the Compliance and Legal services and Internal Control.

3rd Line – Assurance Function

The Internal Audit and External Audit constitute the third line of defense responsible for assessing the company's risk management, risk governance and internal control practices; and providing independent assurance to the management and Board of their adequacy, effectiveness and appropriateness. It seeks to identify any weakness in the first and second lines of defense and also monitors the compliance of business units and ancillary sections with the company's risk management policies and procedures.

The Risk Management Process

Risk Identification

The Risk Identification exercise is based on the "Risk and Control Self-Assessment" (RCSA) methodology whereby each business unit, working closely with Risk Management, identifies the various risks inherent in its operations, evaluates the effectiveness of the identified controls and designs risk mitigation plans. The Risk and Control Self Assessment shall be conducted annually.

Risk Assessment and Evaluation

Risk assessments would be carried out based on a review of events and trends, to quantify the impact and likelihood. Both qualitative and quantitative methods examining both positive and negative impacts will form the basis for our risk classification and rating. Both will be measured on a scale of 1 to 5, with 1 being the lowest and 5, being high. The product of the impact and the probability of an event presents us with the level of risk we have to manage at the various operational units. Such level of risk can then be classified into High, Moderate or Low to determine their escalation to the operational, tactical and strategic levels respectively. All risks will be reported in the risk register and controls will be assessed for effectiveness.

Risk Control/Treatment

This deals with how to manage the identified risks and establishes control and mitigation activities for each respective risk exposure to bring the risk's likelihood and impact within the approved risk tolerance. Typical risk responses will include avoidance, reduction, transferring, sharing and acceptance. Control activities also include the policies, procedures, reporting and initiatives we will perform to ensure that desired risk response is executed at all levels and functions of the company.

Information & Communication regarding risk management is identified, captured and communicated broadly to enable all stakeholders to deliver on their responsibilities. Please see appendix 1 for the existing control library.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

Risk Limits and Monitoring

Risk limits are needed in all areas of the company's activities that involve risk-taking. These limits help to ensure that the exposures taken by Leadway Trustees Limited remain within a predetermined and these exposures are monitored by the ERM team and breaches are reported to the respective committees. The Key Risk Indicators (KRIs) methodology is one of the ways to monitor risk exposures, they provide management with early warning indicators of changing conditions that increase the likelihood of risk occurrence; thus enabling management to put in place measures to reduce the likelihood and/or mitigate the impact of risk.

Risk Categorization

The company is exposed to a myriad of risks in the conduct of its business some of which are Fiduciary risk, Operational risk, Liquidity risk, Counterparty Credit risk, Market risk, Legal & regulatory risks, Strategic risks and Reputational risks. These risk types are steered by a risk appetite statement and are being monitored using certain metrics.

Fiduciary risk

The risk that funds entrusted to Leadway Trustees Limited through trusts or agency accounts are not properly managed or the trustee/agent is not optimally performing in the beneficiary's best interests. This does not necessarily mean that the trustee is using the beneficiary's resources for his/her own benefit; this could be the risk that the trustee is not achieving the best value for the beneficiary.

Operational risk

Operational risk arises from problems in the performance of business functions or processes. Exposure to this risk can result from deficiencies or breakdowns in internal controls or processes, technology failures, human errors or dishonesty, natural catastrophes and civil disturbances.

Liquidity risk

Liquidity risk arises from company's inability to purchase or otherwise obtain the necessary funds, either by increasing liabilities or converting assets, to meet its operational obligations as they come due, without incurring unacceptable losses.

Counterparty credit risk

Credit risk arises from a counterparty's inability or unwillingness to fully meet its on- and/or off-balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counterparty including issuer, debtor, investee, borrower, or guarantor.

Market risk

Market risk arises from changes in market rates or prices. Exposure to this risk can result from market making, dealing, and position-taking activities in markets such as interest rate, foreign exchange, equity, commodity and real estate.

Legal and regulatory risk

Legal and regulatory risk arises from the company or related party's non-compliance, or potential non-compliance, with legislation due to changes in regulations which are not being monitored or due to a lack of skilled personnel with the ability to identify regulatory risk issues. It will include non-compliance with statutory/regulatory report submission which could lead to financial penalties.

Strategic risk

Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment

Reputational risk

The risk that an activity of the company or its representatives impairs Leadway Trustees Limited's image in the community or public confidence, and that this results in the loss of business and/or legal action or additional regulatory oversight or sanctions. Reputational risk can arise from a number of events and primarily occurs in connection with regulatory, legal, and operational risks.

Reporting

Enterprise risk management reporting system will provide the executive reporting of enterprise-wide risks, along with drill down capabilities so that all key risks can be monitored simultaneously. The ERM reporting system will include the following attributes:

1. To provide a single point of access to all critical risk information that arises from various risk streams and business units across the company.
2. Timely delivery of accurate risk information to the top management.
3. Integration of quantitative KRIs, qualitative risk assessments, policy documents, and external market data.

Enterprise Risk Management Policy

The Company's enterprise risk management policy is the umbrella policy that guides the assessment and determination of all material risks impacting its capital, liquidity and other risks. Compliance with the policy is monitored and exposures and breaches are reported to the company's Board. The policy is regularly reviewed in line with organizational changes (inclusion of new products or changes to existing ones) as well as changes in the risk environment.

Financial Risk Management

(a) Introduction and overview

In accordance with IFRS accounting standards as issued by International Accounting Standard Boards (IFRS Standards) and in the manner required by the provisions of Sections 377 and 378 of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2011 (as amended), the Directors accept responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss for the year ended 31 December, 2025 and in so doing they ensure that:

This note presents information about Leadway Trustee's exposure to each of the above risks, objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management.

The Board has articulated its appetite for all significant risks, and ensures that all risk taking activities are within the set appetite. The responsibility for day-to-day management of these risks has been delegated to Executive Management. In addition, the Board of Directors is responsible for assessing the adequacy and scope of internal controls, audit of the financial statements and overall compliance. The Board of Directors ensures that all decisions on risk management are fully implemented and risk exposures are in line with agreed risk appetite. The Board of Directors approves amendments to the Company's policies, changes in target market or risk acceptance criteria.

The Executive Management has direct responsibility for developing and implementing risk management framework and related policies approved by the Board of Directors. The Executive Management reviews any risk exposures as they occur and recommends risk mitigating strategies/actions. The Executive Management also appraises and approves any finance related transactions. They ensure full compliance with the Board approved policies. In addition, Executive Management is responsible for managing the composition of the Company's assets and liabilities, making policy decisions, and providing direction/oversight for market and liquidity risk management practices.

Risk appetite

The Company's risk appetite is reviewed by the Board of Directors periodically, at a level that minimizes erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflects the conservative nature of the Company as far as risk taking is concerned.

Risk appetite is expressed in terms of limits and risk indicators across the risk categories (Credit, liquidity, operational and market risks).

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The Company has also updated its ECL model with updated current and forward looking information. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses and writebacks on financial assets recognised in profit or loss were as follows;

<i>In thousands of naira</i>	Note	31-Dec-25	31-Dec-24
Impairment charge on financial assets	25	(2,977)	(205,141)
		<u>(2,977)</u>	<u>(205,141)</u>

Management of credit risk

(a) Cash and cash equivalents

The Company held cash and cash equivalents of N2.39 billion as at 31 December 2025 (2024: N3.11 billion). The cash and cash equivalents have a maturity profile of less than 3 months and are held with local banks and financial institution counterparties, which are assessed to have good credit ratings from S&P, Fitch, and GCR rating agencies, both in the long term and short term, respectively.

(b) Loans and advances to customers

The Company manages its credit risk through an appropriate measurement, management and reporting process underpinned by sound credit risk systems, policies and well qualified personnel. Credit risk is managed centrally by Enterprise Risk Management (ERM) Unit who have responsibilities for policy setting & review, monitoring and portfolio management.

(i) Credit risk exposure

31-Dec-25

<i>In thousands of naira</i>	Note	Cash and cash equivalents	Investment Securities	Finance Leases	Loans and advances	Other assets*	Total
Carrying amount	5,6a,6c,7,8,9,10a	2,393,594	7,329,539	311,824	4,281,601	2,391,831	16,708,388

Analysed into:

Neither past due nor impaired/Stage 1

Gross amount	5,6a,6c,7,8,9a,10a	2,395,979	7,396,259	349,855	4,302,579	2,582,866	17,027,538
Allowance for impairment/fair value losses	5,7a,9a	(2,385)	(66,720)	(38,031)	(20,979)	(191,035)	(319,149)
Carrying amount		2,393,594	7,329,539	311,824	4,281,601	2,391,831	16,708,388

*Trade and Other Receivables, Convertible shareholders loan note, client trust assets and PPE

31-Dec-25

<i>In thousands of naira</i>	Note	Cash and cash equivalents	Investment Securities	Finance Leases	Loans and advances	Other assets*	Total
Past due not impaired/ Stage 2							
Gross amount		-	-	-	-	-	-
Allowance for impairment		-	-	-	-	-	-
Carrying amount		-	-	-	-	-	-
Individually impaired/Stage 3							
Gross amount	8a	-	-	30,266	4,051,579	-	4,081,845
Allowance for impairment	8a	-	-	(30,266)	(2,483)	-	(32,749)
Carrying amount		-	-	-	4,049,097	-	4,049,097
Total carrying amount		2,393,594	7,329,539	311,824	8,330,698	2,391,831	20,757,485

31-Dec-24

<i>In thousands of naira</i>	Note	Cash and cash equivalents	Investment Securities	Finance Leases	Loans and advances	Other assets*	Total
Carrying amount	5,6a,6c,7,8,9,10a	3,112,168	7,321,917	74,700	3,372,087	3,350,680	17,231,552
Analysed into:							
Neither past due nor impaired/Stage 1							
Gross amount	5,6a,6c,7,8,9a,10a	3,112,762	7,339,073	116,567	3,382,688	3,547,070	17,498,160
Allowance for impairment	5,7a,9a	(594)	(17,156)	(41,867)	(10,602)	(196,391)	(266,610)
Carrying amount		3,112,168	7,321,917	74,700	3,372,087	3,350,680	17,231,550
Past due not impaired/ Stage 2							
Gross amount		-	-	-	-	-	-
Allowance for impairment		-	-	-	-	-	-
Carrying amount		-	-	-	-	-	-
Individually impaired/Stage 3							
Gross amount	8	-	-	30,266	54,625	-	54,625
Allowance for impairment	8	-	-	(30,266)	(39,655)	-	(39,655)
Carrying amount		-	-	-	14,970	-	14,970
Total carrying amount		3,112,168	7,321,917	74,700	3,387,057	3,350,680	17,171,822

Concentrations of credit risk

As at 31 December 2025, the exposure to credit risk for loans by sector was as follows:

31-Dec-25

<i>In thousands of naira</i>	Note	Public Sector	Private Sector	Total
Gross Loans	7,8b	-	4,652,434	4,652,434
Impairment allowance:				-
ECL Impairment	7,8b	-	(59,009)	(59,009)
Net Loans		-	4,593,425	4,593,425

As at 31 December 2024, the exposure to credit risk for loans by sector was as follows:

31-Dec-24

<i>In thousands of naira</i>	Note	Public Sector	Private Sector	Total
Gross Loans	7,8b	-	3,499,255	3,499,255
Impairment allowance:				-
ECL Impairment	7,8b	-	(52,468)	(52,468)
Net Loans		-	3,446,787	3,446,787

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its liabilities that are settled by delivering cash or other financial assets. It is the potential loss to the Company arising from either its inability to meet its obligations or to fund committed increases in assets as they fall due without incurring unacceptable costs or losses.

Management of liquidity risk

The Board of Directors sets the strategy for liquidity risk and delegates the responsibility for oversight and implementation of the policy to Executive Management. The liquidity position is monitored and managed by Executive Management and the Finance Department on a regular basis.

The Executive Management has the primary responsibility for managing liquidity risk arising from assets and liability creation activities. Deliberate strategies put in place to ensure the Company is protected from liquidity risk include monitoring maturity mismatches, behavioural characteristics of the Company's financial assets and liabilities, and the extent to which they are encumbered.

Liquidity risk profile

The key measure used in monitoring liquidity risk is the maturity gap ratio, which is calculated as the ratio of maturing assets to maturing liabilities. The maturity gap ratio displays the extent of mismatch between maturing assets and maturing liabilities.

The following are the contractual maturities of financial assets and liabilities:

Liquidity gap analysis**31 December 2025**

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal amount	Up to 3 months	3-6 months	6-12 months	Over 1 year
Cash and cash equivalents	5	2,393,594	2,395,979	2,395,979	-	-	-
Investment securities					-	-	-
At fair value through other comprehensive income	6	7,329,539	7,329,539	-	-	-	7,329,539
At fair value through profit or loss	6	-	-	-	-	-	-
Loans and advances to customers	7	4,281,600	4,302,579	570,139	572,024	1,184,397	1,976,018
Finance lease receivables	8	311,824	349,855	-	-	-	349,855
Trade and other receivables	9	674,590	809,116	3,457	4,560	801,099	-
Convertible Shareholder Loan Notes	10 (a)	96,714	153,223	-	9,853	9,853	133,518
Client Trust Assets	11	1,524,904	1,524,904	1,524,904	-	-	-
Total financial assets		16,612,765	16,865,195	4,494,479	586,437	1,995,349	9,788,930
Financial liabilities							
Trade and other payables	14	3,261,004	3,261,004	1,456,750	-	35,474	1,768,780
Client trust liabilities	11	1,524,904	1,524,904	1,524,904	-	-	-
Fund in trust	16	881,850	881,850	349,303	-	532,547	-
Borrowings	17	446,737	446,737	-	351,500	95,237	-
Total financial liabilities		6,114,495	6,114,495	3,330,957	-	663,258	1,768,780
Liquidity gap			10,750,700	1,163,522	-	1,332,091	8,020,150
Cumulative liquidity gap			10,750,700	1,163,522	1,163,522	2,495,613	10,515,763

31 December 2024

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal amount	Up to 3 months	3-6 months	6-12 months	Over 1 year
Cash and cash equivalents	5	3,112,168	3,112,168	3,112,168	-	-	-
Investment securities					-	-	-
At fair value through other comprehensive income	6	7,255,197	7,255,197	-	-	-	7,255,197
At fair value through profit or loss	6	66,720	66,720	66,720	-	-	-
Loans and advances to customers	7	3,372,086	3,382,688	941,971	572,024	1,556,229	312,464
Finance lease receivables	8	74,700	116,567	4,585	-	45,657	66,325
Trade and other receivables	9	52,277	52,277	3,457	-	48,820	-
Convertible Shareholder Loan Notes	10 (a)	96,747	96,747	5,905	9,853	9,853	71,137
Client Trust Assets	11	3,177,398	3,177,398	3,177,398	-	-	-
Total financial assets		17,207,294	17,259,763	7,312,204	581,877	1,660,559	7,705,123
Financial liabilities							
Trade and other payables	14	3,405,172	3,405,172	1,456,750	-	179,642	1,768,780
Client trust liabilities	11	3,177,398	3,177,398	3,177,398	-	-	-
Fund in trust	16	359,194	359,194	125,459	200,000	33,735	-
Borrowings	17	351,500	351,500	-	351,500	-	-
Total financial liabilities		7,293,264	7,293,264	4,759,607	551,500	213,377	1,768,780
Liquidity gap			9,966,499	2,552,597	-	1,447,182	5,936,343
Cumulative liquidity gap			9,966,499	2,552,597	2,552,597	3,999,779	9,936,122

(d) Market risk

Market risk is the risk that changes in market prices such as interest rate, foreign exchange rates will affect the Company's income or the value of its holdings in financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Management of market risk

The overall authority for market risk is vested by the Board in the Executive Management which sets up limits for each type of risk in aggregate. They are responsible for monitoring, managing and reporting to the Board of Directors.

(i) Foreign exchange risk

Foreign exchange risk is the exposure of the Company's financial condition to adverse movement in exchange rates. The company has foreign currency deposits in a commercial bank.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to a considerable level of interest rate risk. These changes could have negative impact on the net interest income, if not properly managed.

Sensitivity analysis are carried out from time to time to evaluate the impact of rate changes on the net interest income (100 basis points). The assessed impact has not been significant on capital or earnings of the Company.

Interest rate profile

The table below summarizes the Company's interest rate gap position: for interest bearing financial instruments

31 December 2025

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal amount	Up to 3 months	3-6 months	6-12 months	Over 1 year
Cash and cash equivalents	5	2,393,594	2,395,979	2,395,979	-	-	-
Investment securities							
<i>At fair value through other comprehensive income</i>	6	-	-	-	-	-	-
<i>At fair value through profit or loss</i>	6	-	-	-	-	-	-
Loans and advances to customers	7	4,281,600	4,302,579	570,139	572,024	1,184,397	1,976,018
Finance lease receivables	8	311,824	349,855	-	-	-	349,855
Convertible Shareholder Loan Notes	10 (a)	96,714	153,223	-	9,853	9,853	133,518
Total financial assets		7,083,731	7,201,635	2,966,118	581,877	1,194,250	2,459,391
Financial liabilities							
Fund in trust	16	881,850	881,850	349,303	-	532,547	-
Borrowings	17	446,737	446,737	-	351,500	95,237	-
Total financial liabilities		1,328,587	1,328,587	349,303	351,500	627,784	-
Interest re-pricing gap			5,873,049	2,616,815	230,377	566,466	2,459,391
Cumulative repricing gap			5,873,049	2,616,815	2,847,192	3,413,658	5,873,049

31 December 2024

<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal amount	Up to 3 months	3-6 months	6-12 months	Over 1 year
Cash and cash equivalents	5	3,112,168	3,112,168	3,112,168	-	-	-
Investment securities							
<i>At fair value through other comprehensive income</i>	6	-	-	-	-	-	-
<i>At fair value through profit or loss</i>	6	-	-	-	-	-	-
Loans and advances to customers	7	2,915,762	3,010,856	570,139	572,024	1,184,397	684,295
Finance lease receivables	8	-	30,266	-	-	-	30,266
Convertible Shareholder Loan Notes	10 (a)	99,303	99,303	-	9,853	9,853	79,598
Total interest rate driven assets		6,127,233	6,252,593	3,682,307	581,877	1,194,250	794,159
Financial liabilities							
Fund in trust	16	359,194	359,194	191,299	167,895	-	-
Borrowings	17	351,500	351,500	351,500	-	-	-
Total interest rate driven liabilities		710,694	710,694	542,799	167,895	-	-
Interest re-pricing gap			5,541,899	3,139,508	413,982	1,194,250	794,159
Cumulative repricing gap			5,541,899	3,139,508	3,553,490	4,747,740	5,541,899

The management of interest risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various scenarios. Interest rate movement affects reported income by causing an increase or decrease in net interest income and fair value changes.

The table below shows the impact on the Company's loss before tax if interest rates on financial instruments held at amortised cost had increased or decreased by 100 basis points, with all other variables held constant.

<i>In thousands of naira</i>	31 December 2025	31 December 2024
Increase in interest rate by 100 basis points (+1%)		
Sensitivity of interest rate on loans and advances to customers	(42,816)	(29,158)
Sensitivity of interest rate to investment securities		
Sensitivity of interest rate on borrowings and debt securities issued	4,467	3,515
Decrease in interest rate by 100 basis points (-1%)		
Sensitivity of interest rate on loans and advances to customers	42,816	29,158
Sensitivity of interest rate to investment securities		
Sensitivity of interest rate on borrowings and debt securities issued	(4,467)	(3,515)

(e) Operational risk management

Operational risk is the risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but exclude reputation and strategic risk. Operational risk exists in all products and business activities. Operational risk is considered as a critical risk faced by the Company.

The Company proactively identifies, assesses and manages all operational risks by aligning the people, technology and processes with best risk management practices towards enhancing stakeholders' value. Operational risk objectives include the following:

- To provide clear and consistent direction in all operations of the Company
- To provide a standardized framework and appropriate guidelines for creating and managing all operational risk exposures.
- To enable the Company identify and analyse events (both internal and external) that impact on its business.

The processes involved in the operational risk activities are summarized below:

- Operational risks are identified by the assessments covering risks inherent in processes, activities and products.
- Risk assessment incorporates a regular review of risks identified to monitor significant changes.

The Executive Management is responsible for the management of operational risk in the following areas:

- Compliance with regulatory and other legal requirements
- Promotion of ethical and business standards.
- Training and professional development

(f) Capital management

The strategy for assessing and managing the impact on the Company's business of present and future regulatory capital forms an integral part of the Company's strategic plan. Specifically, the Company considers how the present and future capital requirements will be managed and met against projected capital requirements. This is based on the Company's assessment and against the supervisory/regulatory capital requirements, taking into account the Company's business strategy and value creation to all its stakeholders.

In line with its circular on the Revised Minimum Capital Requirements, the Securities and Exchange Commission (SEC) announced an increase in minimum capital thresholds for regulated entities. Under the revised framework, Trustees are required to maintain a minimum capital of ₦2 billion, with a compliance deadline of June 2027. The Guidelines on Revised Minimum Capital for Regulated Entities issued on 18th March, 2026 clarifies the capital base computation as Qualifying Capital (paid-up ordinary share capital, irredeemable preference shares, share premium, and retained earnings) less Accumulated losses. As a result, the Company does not have a capital shortfall.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

	December 2025	December 2024
5 Cash and cash equivalents		
Cash in hand	-	47
Cash at bank	2,305,628	3,042,805
Short term placements	90,351	69,910
Total	2,395,979	3,112,762
Impairment on bank balance	(2,385)	(594)
	2,393,594	3,112,168

Short-term bank placements are made for varying periods of between one day and three months depending on the immediate cash requirements of the company. The carrying amounts disclosed above reasonably approximate the fair value at the reporting date.

6 Investment Securities

(a) The Directors are of the opinion that the year ended 31 December, 2025 financial statements give a true and fair view of the state of affairs of the Company.

Ordinary shares

Balance, 1 January	66,720	83,876
Fair value (loss)/gain on financial assets through profit/(loss)	-	-
Fair value loss through OCI (Note 6a) (SOCI)*	(66,720)	(17,156)
	-	66,720

(b) Investment securities

- At fair value through other comprehensive income

Unquoted equity securities:

Ordinary shares

At 1 January	7,255,197	6,950,540
Additions during the year (Note 9a)	74,342	1,464,628
Less: Disposal/ Derecognition of asset	-	-
Previously reported	7,329,539	8,415,168
Current year fair value gains/(loss)- Leadway Holdings(SOCI)*	-	(1,159,971)
At 31 December	7,329,539	7,255,197

Unquoted equities

Current

	-	-
Non - current	7,329,539	7,255,197
	7,329,539	7,255,197

7 Loans and advances to customers

Loans:

Gross amount	4,302,579	3,382,688
Allowance for expected credit losses	(20,979)	(10,602)
	4,281,600	3,372,086

(a) Gross amount

Allowance for credit losses:

- Impairment loss on stage 1 loans	(6,531)	(2,852)
- Impairment loss on stage 2 loans	-	(90)
- Impairment loss on stage 3 loans	(14,448)	(7,659)
Total provision for credit losses	(20,979)	(10,602)
Carrying amount	4,281,600	3,372,086

(b) Loans to customers by type

	Stage 1 - 12 month				Total allowances	Carrying amount
	Gross amount	ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL		
31 December 2025						
Staff loans	15,878	(233)	-	-	(233)	15,645
Commercial loans	251,000	(6,298)	-	(12,199)	(18,497)	232,503
Annuity-based loans	4,035,701	-	-	(2,250)	(2,250)	4,033,452
Mortgage loans	-	-	-	-	-	-
	4,302,579	(6,531)	-	(14,449)	(20,980)	4,281,600
31 December 2024						
Staff loans	2,076	(2)	-	(833)	(835)	1,241
Commercial loans	238,344	(2,850)	(9)	(4,326)	(7,185)	231,159
Annuity-based loans	3,133,152	-	-	(1,868)	(1,868)	3,131,284
Mortgage loans	9,116	-	(81)	(632)	(713)	8,403
	3,382,688	(2,852)	(90)	(7,659)	(10,601)	3,372,087

(c) Loans to customers by avilment

	Stage 1 - 12 month				Total allowances	Carrying amount
	Gross amount	ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL		
31 December 2025						
Loans and advances to individuals	4,051,579	(233)	-	(2,250)	(2,483)	4,049,097
Loans and advances to corporates	251,000	(6,298)	-	(12,199)	(18,497)	232,503
	4,302,579	(6,531)	-	(14,448)	(20,979)	4,281,600

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

31 December 2024

Loans and advances to individuals	3,378,189	(2,852)	(90)	(7,675)	(10,617)	3,367,572
Loans and advances to corporates	4,499	-	-	(616)	(616)	3,883
	<u>3,382,688</u>	<u>(2,852)</u>	<u>(90)</u>	<u>(8,291)</u>	<u>(11,233)</u>	<u>3,371,455</u>

(d) Allowance for credit losses on loans and advances to customers

	Stage 1 - 12 month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total
Balance, 1 January 2025	2,852	90	7,660	10,601
Charge/(write back) for the year	3,679	(90)	6,789	10,378
At 31 December 2025	<u>6,531</u>	<u>-</u>	<u>14,449</u>	<u>20,979</u>

(e) Changes in Loan and advances to customers

Opening balance	3,372,086	2,968,932
Impairment charge/(writebacks) on loans	(10,378)	1,057
Changes in loans and advances to customers	919,892	402,097
Closing balance	<u>4,281,600</u>	<u>3,372,086</u>

8 Finance lease receivables

Gross amount	349,855	116,567
Allowance for credit losses	<u>(38,031)</u>	<u>(41,867)</u>
	<u>311,824</u>	<u>74,700</u>

(a) Gross amount

Opening balance	116,567	30,266
Additions during the year	<u>233,288</u>	<u>86,301</u>
	<u>349,855</u>	<u>116,567</u>

Allowance for credit losses:

- Impairment loss on stage 1 advances	(7,798)	(11,634)
- Impairment loss on stage 2 advances	-	-
- Impairment loss on stage 3 advances	<u>(30,233)</u>	<u>(30,233)</u>
Total provision for credit losses	<u>(38,031)</u>	<u>(41,867)</u>
Carrying amount	<u>311,824</u>	<u>74,700</u>

(b) Finance lease advances by availment

	Gross amount	Stage 1 - 12 month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total allowances	Carrying amount
31 December 2025						
Loans and advances to individuals	11,644	-	-	(11,644)	(11,644)	-
Loans and advances to corporate entities	<u>104,923</u>	<u>(7,798)</u>	<u>-</u>	<u>(18,589)</u>	<u>(26,387)</u>	<u>78,536</u>
	<u>116,567</u>	<u>(7,798)</u>	<u>-</u>	<u>(30,233)</u>	<u>(38,031)</u>	<u>78,536</u>

	Gross amount	Stage 1 - 12 month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total allowances	Carrying amount
31 December 2024						
Loans and advances to individuals	11,644	-	-	(11,644)	(11,644)	-
Loans and advances to corporate entities	<u>104,923</u>	<u>(11,634)</u>	<u>-</u>	<u>(18,589)</u>	<u>(30,223)</u>	<u>74,700</u>
	<u>116,567</u>	<u>(11,634)</u>	<u>-</u>	<u>(30,233)</u>	<u>(41,867)</u>	<u>74,700</u>

(c) The breakdown of gross investment in finance leases is as follows:

Current portion (Less than 1 year)	-	30,266
Non-current portion (More than 1 year)	<u>116,567</u>	<u>86,301</u>
	<u>116,567</u>	<u>116,567</u>

(d) Allowance for credit losses on advances under finance lease

	Stage 1 - 12 month ECL	Stage 2 - Lifetime ECL	Stage 3 - Lifetime ECL	Total
At 1 January 2025	-	-	30,233	30,233
Charge for the year	-	-	7,798	7,798
At 31 December 2025	<u>-</u>	<u>-</u>	<u>38,031</u>	<u>38,031</u>

(e) Impairment charge on loan and advances

Impairment charge on loan and advances	20,979	10,601
Impairment charge on finance lease	<u>38,031</u>	<u>41,867</u>
	<u>59,010</u>	<u>52,468</u>

9 Trade and other receivables

(a) Trusteeship fees receivables

Other Assets	172,285	149,141
Intercompany Debtors	<u>570,863</u>	<u>10,109</u>
	<u>809,116</u>	<u>192,192</u>
Less: Impairment (Note 10a)	<u>(134,526)</u>	<u>(139,915)</u>
	<u>674,590</u>	<u>52,277</u>

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

	Opening balance	52,277	55,018
	Changes in trade and other receivables	616,924	70,739
	Impairment write back/(charge) on trade receivables	5,389	(73,480)
	Closing balance	674,590	52,277
(b)	Trade and other receivables		
	Current	674,590	52,277
	Non - current	-	-
		674,590	52,277
(c)	Trade and other receivables		
	As as 1st January	52,277	55,018
	Additions	153,690	70,739
	Payment received	(73,480)	(73,480)
	Changes in trade and other receivables	132,487	52,277
	As at 31st December	674,590	52,277
10	Convertible Shareholder Loan Note		
10(a)	Convertible Shareholder Loan Note	153,223	153,223
	Impairment on Shareholders Loan Note	(56,509)	(56,476)
	Convertible Shareholder Loan Note	96,714	96,747
(b)	As as 1st January	153,223	99,255
	Additions	(0)	53,968
	Accrued Interest	17,735	17,735
	Interest received	(17,735)	(17,735)
	As at 31st January	153,223	153,223
	Impairment on Shareholders Loan Note	(56,509)	(56,476)
	Shareholders Loan Notes	96,714	96,747
	Opening balance	96,747	96,747
	Changes in trade and other receivables	-	55,005
	Impairment charge on trade receivables	(33)	(55,005)
	Closing balance	96,714	96,747
	The Convertible Shareholder Loan Note relates to Leadway Trustees Ltd's due from Leadway Holdco. It has 5 years tenor with 20% interest rate payable twice per annum. It is redeemable via cash or shares at issuer's discretion. The purpose is to support existing subsidiaries.		
		December	December
		2025	2024
11	Client trust		
(a)	Client trust assets and liabilities	1,524,904	3,177,398
(b)	As as 1st January	3,177,398	1,649,632
	Principal Payment	-	-
	Interest received	5,673	5,673
	(Withdrawals)/Additions	(1,658,167)	1,522,093
	As at 31st December	1,524,904	3,177,398
	This represents funds held on behalf of the company's clients. The funds are recognised as the company's assets (and associated liabilities) as they meet the general definitions specified in the Conceptual Framework for Financial Reporting (2018). Leadway Trustees Limited earns custodial fees calculated as a percentage of the fund size at the end of the financial year.		
	Client assets held in trust		
	Cash at Bank	62	1,371
	Quoted Equities	40,055	21,760
	Unquoted Equities	826,689	830,583
	Fixed Deposit	658,098	2,323,684
	Total	1,524,904	3,177,398
12	Intangible assets - Computer software		
	Cost		
	At 1 January	34,324	34,324
	Additions	-	-
	At 31 December	34,324	34,324
		December	December
		2025	2024
	Accumulated amortization		
	At 1 January	34,324	34,324
	Amortization for the year	-	-
	At 31 December	34,324	34,324
	Carrying amount		
	At 31 December	-	-

(i) All intangible assets are non-current. The company does not have internally generated intangible assets.

(ii) The company intangible assets are not impaired. (iii) There are no commitment in respect of the company's intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

13 Property and equipment

	Leasehold Improvement	Equipment	Computer Hardware	Furniture and Fittings	Motor Vehicle	Total
Cost						
At 1 January 2024	14,417	3,145	13,226	9,693	47,890	88,371
Additions	-	1,602	5,870	1,451	-	8,923
Reclassification/disposal					(24,000)	(24,000)
At 1 January 2025	14,417	4,747	19,096	11,144	23,890	73,294
Additions	-	-	4,222	-	88,250	92,472
Disposals			(795)		-	(795)
At 31 December 2025	14,417	4,747	22,523	11,144	112,140	164,971
Accumulated depreciation						
At 1 January 2024	14,048	2,935	6,785	8,019	28,458	60,245
Depreciation charge for the year	369	308	2,967	449	6,980	11,072
Disposal					(22,280)	(22,280)
At 1 January 2025	14,417	3,243	9,752	8,467	13,158	49,038
Depreciation charge for the year	-	707	4,932	504	14,460	20,603
Disposals			(293)			(293)
At 31 December 2025	14,417	3,950	14,391	8,972	27,618	69,348
Carrying amount						
At 31 December 2025	-	797	8,132	2,172	84,522	95,623
At 31 December 2024	-	1,504	9,344	2,677	10,732	24,259

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period(2024;NIL)

There were no impairment on any class of property and equipment during the period (2024;NIL)

	December 2025	December 2024
14 Trade and other payables		
(a) Sundry creditors	2,977,165	3,206,038
Accruals	283,839	199,133
	3,261,004	3,405,172
Opening balance	3,405,172	1,590,412
Changes in trade and other payables	(144,168)	1,814,760
Closing balance	3,261,004	3,405,172
Note: The bulk of the balance in the sundry creditors represent third party funds in respect of LAC Long Term Incentive Programme that awaits client investment instructions.		
(b) Trade and other payables		
Current	3,261,004	3,405,171
Non - current	-	-
	3,261,004	3,405,171
	December 2025	December 2024
15 Current tax liabilities		
(a) Balance, 1 January	189,488	243,720
Charge for the year	148,555	44,405
	338,043	288,125
Payments during the year	(22,129)	(98,638)
Balance, 31 December	315,915	189,488
(b) Income tax charge		
Based on the results for the year:		
Income tax	126,125	23,085
Education tax	14,509	2,609
Information Technology levy	7,881	18,618
Police Trust Fund Levy	39	93
Charge for the year	148,555	44,405
(bii) Recognition/(Reverse) of previously unrecognised deductible expenses	15,173	(5,248)
Total income tax charge	163,727	39,157
	December 2025	December 2024
(c) Reconciliation of effective tax rate		
Profit for the year before tax	788,136	1,861,781
	%	%
Tax using the company's domestic tax rate of 30%	30%	30%
Non-deductible expenses	25,896	3%
Tax exempt income	(121,039)	-32%
Education Tax	14,509	0%
Information Technology Levy	7,881	1%
Police Trust Fund Levy	39	0%
Total income tax expense	21%	2%

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

Items	2023	Recognised in profit/loss	2024 YE	Recognised in profit/loss	Recognised in OCI	2025
Properties and equipments	3,826,923	(912,582)	2,914,341	12,702,914		15,617,255
Provisions	9,033,998	(23,029,685)	(13,995,687)	35,502,042		21,506,355
Impairment allowances	(4,494,712)	(4,098,282)	(8,592,994)	(7,767,316)		(16,360,310)
Foreing exchange unrealised	2,667,701	22,793,514	25,461,215	(25,265,099)	(45,645,224)	(45,449,108)
	11,033,910	(5,247,035)	5,786,875	15,172,541	(45,645,224)	(24,685,809)
				December 2025		December 2024
16 Fund in Trust						
(a) Fund in Trust				881,850		359,194
(b) Movement of funds held in trust during the year:						
Opening balance				359,194		546,681
Additions				1,413,504		567,275
Returned funds				(890,849)		(754,762)
Closing balance				881,850		359,194
17 Borrowings						
(a) Leadway Properties and Investment Limited				127,703		105,586
Optimus Bank				193,143		
Leadway Asset Management Limited				125,891		245,914
				446,737		351,500
The following are details of the outstanding borrowings:						
(1) Optimus Bank - Principal of N200 million at 18% interest rate per annum from 13 October 2025 to 13 October 2028.						
(2) Leadway Properties & Investment - Principal N150 million at 20% interest rate from 20 October 2025 to 20 October 2026.						
(3) Leadway Assets Management Limited - Principal N80 million at 24% interest rate from 3 September 2025 to 2 March 2026.						
(b) Borrowings						
Current				340,359		351,500
Non-current				106,378		-
				446,737		351,500
(c) Movement of borrowings during the year:						
Opening balance				351,500		-
Additions				852,173		442,233
Repayments				(756,936)		(90,733)
Closing balance				446,737		351,500
18 Deferred tax (Assets)/Liabilities						
Balance, 1 January				5,786		11,035
Charge/(Write back) during the year - profit or loss				15,173		(5,248)
(Write back) during the year - OCI				(45,645)		-
Balance, 31 December				(24,686)		5,786
				December 2025		December 2024
19 Share capital						
19.1 Authorized:						
Ordinary shares of N1.00 each				1,000,000		1,000,000
19.2 Issued and fully paid:						
Ordinary shares of N1.00 each				1,000,000		1,000,000
20.1 Minimum issued share capital for existing company – Section 124 of CAMA 2020						
In line with the Company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a Company that has an unissued shares in its capital shall not later than 31 December 2022 fully issue such shares. The Authorised Share Capital has been fully issued as at 31st December 2025 in compliance with the requirement of section 124 of Company and Allied Matters Act, 2020.						
20 Retained earnings and other equity				December 2025		December 2024
Retained earnings						
Balance, 1 January				3,400,859		1,828,234
Dividend paid during the year				(200,000)		(250,000)
Reclassification of gains/(loss) on quoted equity disposal				(7,360)		-
Profit for the year				624,409		1,822,625
Balance , 31st December				3,817,908		3,400,859
21 Other Reserves						
Balance, 1 January				5,342,157		6,519,285
Fair value through OCI				135,239		(1,177,128)
Reclassification of gains/(loss) on quoted equity disposal				7,360		-
Balance , 31st December				5,484,756		5,342,157
Revenue						
22 Interest Income						
Interest income on loan and advances				1,137,764		856,482
Interest income on loan notes				17,735		17,735
Interest income on placement				16,932		18,359
				1,172,431		892,575

The revenue lines represent interest income on micro loan, convertible shareholders loans and placement of funds.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

23 Fees and commission income		
Processing and Management fees on loans	106,785	36,326
Trusteeship fees	153,690	70,739
	260,475	107,065
	1,432,906	999,641
These represent fees earned on corporate trust transactions and processing fees earned on the loan books.		
24 Other operating income		
Other income	43,802	10,647
Dividend Income	348,168	1,780,506
Foreign currency revaluation (loss)/gain	(603)	49,752
	391,367	1,839,185
Note - In 2024, we received an extraordinary dividend of NGN1.7 billion from our unquoted investment in LAC shares (10% received as cash and balance used to purchase rights issues in Leadway Holdings shares). Whilst a yearly dividend income from LAC shares is NGN200million. In addition, the NGN43 million represents trust income earned on the Ex-staff scheme in prior years, now recognised.		
25 Impairment on financial assets		
Loss/write back on loans to customers	10,378	(1,057)
(Write back)/loss on finance leases	(3,836)	11,601
(Write back)/loss on trade debtors	(5,389)	139,849
Impairment loss on Shareholders convertible loan notes	33	55,005
Impairment loss on bank balances/loss(writeback)	1,791	(258)
Loss on impairment of financial assets	2,977	205,141
26 Finance charge		
(i) Interest expense		
Interest expense on funding of commercial loans	5,145	5,145
Interest expense on funding of annuity-based loans	286,287	148,139
Interest expense on Borrowing	291,432	197,541
(ii) Fee and commission expense		
Will expenses	2,074	2,992
	293,506	200,533
	December 2025	December 2024
27 Personnel expenses		
Staff salaries and expenses	304,615	284,846
Staff pension scheme	11,768	5,920
Staff medical allowance	4,748	6,063
Management assistance and staff welfare	200	1,350
	321,331	298,179
Information regarding employee compensation		
(a) The number of employees of the Company who received emoluments in the following range were:		
N300,000 - N2,000,000	-	3
N2,000,000 - N5,000,000	4	5
N5,000,000 - N10,000,000	7	2
N10,000,000 and above	5	6
	16	16
	December 2025	December 2024
(b) The number of persons in the employment of the Company as at year end is as follows:		
Management Staff (Senior Management Staff and Managing Director)	1	6
Non-management Staff	15	10
	16	16
(c) Actual remuneration paid to Management of the Company as at year end is as follows:	64,966	99,972
28 Depreciation and amortisation		
Depreciation of property and equipment (Note 14)	20,603	11,072
	20,603	11,072
	December 2025	December 2024
29 Other operating expenses		
Directors' fees and remuneration (Note 29a)	142,782	28,849
Auditors' remuneration	9,500	8,000
*** ICFR certification fees	3,000	2,500
Fuel, repairs and maintenance	13,374	11,886
Occupancy and premises maintenance costs	34,731	32,624
Insurance and licence expenses	18,597	7,556
Advertising, promotions and branding	60,513	54,731
**Fines and Penalty	8,658	3,130
Legal and professional fees	5,570	14,870
Donations	500	5,284
Business Development	-	100
Subscriptions	4,032	3,346
Bank charges	692	845
Communication	5,302	6,911
Training and human capital development	6,152	9,703
Entertainment and meeting expenses	2,945	1,471
*Group share service cost	81,371	70,314
	397,719	262,119

*The Group share service cost represent extra estimated cost from group share cost allocated to Leadway Trustees Limited for share services.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

**The Securities and Exchange Commission raised penalties against the company for non-remittance of the weekly AML/CFT foreign exchange transactions report (FTRS) in 2019. Instalmental payment plan was agreed with the company to pay over three years, starting Q2 2022, which has now been completed in Q1 2025.

***The Auditors KPMG Professional Services did not perform any non-audit service to the company other than ICFR certification at N3m (2024 2.5m).

	December 2025	December 2024
(a) Directors remuneration		
Remuneration paid to the Company's Directors was:		
Fees and sitting allowances	142,782	28,849
Fees and other emoluments disclosed above includes amounts paid to:		
The Chairman	23,750	9,800
The highest paid Director	23,750	9,800
30 Earnings per share		
Net profit attributable to equity holders	624,409	1,822,625
Weighted average number of ordinary shares	1,000,000	1,000,000
Basic and diluted earnings per ordinary shares expressed in naira	0.62	1.82

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of Nigerian Naira)

31 Dividends

The Board of Directors proposed a dividend of N225 million at 22.5 kobo per share (2024: 20 kobo) from the retained earnings accounts based on the 2025 financial year results. The dividend amount of N225 million (2024: N200 million), which is liable to withholding tax at a rate of 10%, is subject to the approval of the shareholders at the Annual General Meeting. Consequently, the dividend has not been included as a liability in these financial statements.

32 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 operating decisions, or one other party controls both. The definition of related parties include subsidiaries, associates, joint ventures and key management personnel.

	December 2025	December 2024
Parent company		
The Directors are of the opinion that the year ended 31 December, 2025 financial statements give a true and fair view of the state of affairs of the		
Transactions and balances with the Parent Company (Leadway Holdings Limited) includes:		
Right issues declared	-	1,641,534

Subsidiary and Associates

The Company has no subsidiary or associate relationships.

Fellow subsidiaries and affiliated companies

This includes Leadway Asset Management, Leadway Holdings, Leadway Properties and Investments Limited, and Leadway Assurance Company Limited.

Intercompany balances

Leadway Assurance Company Limited (Due to LAC)	(101,329)	(43,858)
Leadway Holdings Limited (Convertible Shareholders Loan Note)	99,303	99,303
Leadway Properties and Investments Limited (Borrowing and Due to LPI)	(134,769)	(105,586)
Leadway Asset Management Limited (Borrowings and Due to LAM)	(127,668)	(245,914)
Leadway Asset Management Limited (Placement)	90,358	69,251

Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management personnel includes any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group.

	December 2025	December 2024
Key management personnel and related parties engaged in the following transactions with the Company during the year:		
Commercial Loan	9,732	9,732
Convertible Shareholder Loan Note	96,714	96,747
	106,446	106,479
Key management personnel compensation for the year comprised:		
Directors' fees	142,782	28,849
Other emoluments	-	-

33 Guarantees and other capital commitments

The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements. The liabilities are relevant in assessing the Company's state of affairs as at 31 December 2025.

34 Events after reporting period

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

35 Contingent liabilities, litigation and claims

The Company is engaged in lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and claims amounted to Nil as at 31 December 2025 (2024 : Nil). In the opinion of the directors, the Company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these financial statements.

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

(All amounts are in thousands of Nigerian Naira)

	December 2025	%	December 2024	%
Turnover				
- Local	1,172,431		892,575	
Other income				
- Local	391,367		1,839,185	
(Expenses)/Income on materials and services - Local	(142,295)		(363,187)	
Value Added	1,421,503	100	2,368,573	100
Applied to pay:				
Employee salaries and wages	321,331	23	298,179	13
Government as tax	163,727	12	39,157	2
To providers of finance				
Interest on loans and borrowings	291,432	21	197,541	8
Retained in the business:				
Depreciation of property and equipment	20,603	1	11,072	0
Amortization of intangible assets	-	-	-	-
To augment reserves	624,409	44	1,822,625	77
Value Added	1,421,503	100	2,368,573	100

FIVE YEAR FINANCIAL SUMMARY

(All amounts are in thousands of Nigerian Naira)

	2025	2024	2023	2022	2021
ASSETS					
Cash and cash equivalents	2,393,594	3,112,169	1,555,040	343,347	490,359
Investment securities					
- At fair value through other comprehensive income	7,329,539	7,255,197	6,950,540	3,294,704	347,547
- At fair value through profit or loss	-	66,720	83,876	83,876	118,684
Loans and advances to customers	4,281,600	3,372,086	2,968,932	2,915,762	2,684,986
Finance lease receivables	311,824	74,700	-	-	28
Trade and other receivables	674,590	52,277	55,018	14,363	6,527
Shareholders Loan	96,714	96,747	97,833	99,352	-
Deferred tax asset	24,686	-	-	3,916	7,878
Sinking fund asset	-	-	-	-	-
Client trust assets	1,524,904	3,177,398	1,649,632	158,248	199,519
Property and equipment	95,623	24,259	28,126	21,750	29,138
TOTAL ASSETS	16,733,074	17,231,553	13,388,997	6,935,318	3,884,666
LIABILITIES					
Trade and other payables	3,261,004	3,405,172	1,590,410	506,094	531,147
Sinking fund liability	-	-	-	-	-
Client trust liabilities	1,524,904	3,177,398	1,649,632	158,248	199,519
Current tax liabilities	315,915	189,488	243,720	213,090	164,744
Fund in Trust	881,850	359,194	546,681	365,724	600,880
Borrowings	446,737	351,500	-	252,213	276,894
Deferred tax liabilities	-	5,786	11,035	-	-
TOTAL LIABILITIES	6,430,410	7,488,538	4,041,477	1,495,369	1,773,184
EQUITY					
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	660,000
Retained earnings	3,817,908	3,400,858	1,828,234	1,501,561	1,451,482
Other Reserves	5,484,756	5,342,157	6,519,285	2,938,388	-
TOTAL EQUITY	10,302,664	9,743,015	9,347,519	5,439,949	2,111,482
TOTAL LIABILITIES AND EQUITY	16,733,074	17,231,553	13,388,997	6,935,319	3,884,667
Revenue	1,432,906	999,641	898,342	809,795	963,353
Profit before tax	788,136	1,861,781	734,254	783,713	703,156
Profit after tax	624,409	1,822,625	576,673	588,080	543,316
Basic earnings per share (N)	0.62	1.82	4.16	0.11	0.82