



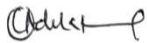
NPF MICROFINANCE BANK PLC

RC. 220824

**FOURTH QUARTER REPORT
31 DECEMBER 2024**

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

<i>In thousands of naira</i>	Note	31-Dec-2024	Audited 31-Dec-2023
ASSETS			
Cash and cash equivalents	16	33,030,766	17,487,783
Investment securities	19	3,771,955	1,869,183
Loans and advances to customers	18	25,448,103	21,552,344
Pledged assets	17	1,675,771	1,889,342
Other assets	20	1,112,654	558,619
Property and equipment	21	1,720,296	1,531,263
Intangible asset	22	(1,901)	2,047
TOTAL ASSETS		66,757,644	44,890,581
LIABILITIES			
Deposits from customers	23	39,959,590	26,939,651
Current tax liabilities	15(b)	805,961	676,470
Other liabilities	25	12,760,758	4,166,778
Borrowings	24	483,184	2,065,020
Deferred tax liabilities	15(c)	52,464	52,462
TOTAL LIABILITIES		54,061,957	33,900,381
CAPITAL AND RESERVES			
Share capital	26	2,996,477	2,996,477
Share premium	27(a)	4,166,786	4,166,786
Retained earnings	27(b)	3,556,800	1,851,312
Fair value reserve	27(c)	(13,147)	(13,147)
Statutory reserve	27(d)	1,988,772	1,988,772
Regulatory risk reserve	27(e)	-	-
TOTAL EQUITY		12,695,688	10,990,200
TOTAL LIABILITIES AND EQUITY		66,757,644	44,890,581



Mrs. Olamide M. Akin-Balogun
Chief Financial Officer
FRC/2015/ICAN/00000011044



Mr. Habeeb A. Yusuf
Managing Director
FRC/2025/PRO/DIR/163632

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2024

<i>In thousands of naira</i>	Note	31-Dec-2024	Oct - Dec 2024	31-Dec-2023	Oct - Dec 2023
Gross earnings		12,991,377	3,910,230	10,300,216	3,105,848
Interest income calculated using the effective interest method	8	11,508,586	3,413,809	9,353,656	2,806,350
Interest expense	9	(1,098,815)	(281,467)	(963,224)	311,285
Net interest income		10,409,771	3,132,342	8,390,432	2,495,065
Fee and commission income*	10	1,473,781	496,254	938,104	350,407
Revenue		11,883,552	3,628,596	9,328,536	2,845,472
Other income*	11	9,010	167	8,456	(50,909)
Net impairment loss on financial instruments	12	-	-	(864,063)	(813,839)
Personnel expenses	13	(3,526,526)	(968,344)	(3,355,786)	(1,215,327)
Other operating expenses*	14	(4,668,588)	(1,219,401)	(3,104,150)	(1,165,619)
Depreciation of property and equipment	21	(469,658)	(140,815)	(380,477)	(125,502)
Amortisation of intangible assets	22	(3,948)	(380)	(18,139)	(3,685)
Profit before tax		3,223,842	1,299,823	1,614,377	(529,409)
Income tax expense	15(a)	(805,961)	(324,956)	(594,947)	(59,000)
Profit for the year		2,417,881	974,867	1,019,430	(588,409)
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Equity investment at fair value through OCI	19(a)	-	-	(7,798)	(12,794)
Other comprehensive loss for the year		-	-	(7,798)	(12,794)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,417,881	974,867	1,011,632	(601,203)
Basic and diluted earnings per share (kobo)		40	22	17	-10

*Refer to note 36 for changes to the presentation of the comparative figures

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
Balance at 1 January 2024	2,996,477	4,166,786	1,851,312	(13,147)	1,988,772	-	10,990,200
Total comprehensive income							
Profit for the year	-	-	2,417,881	-	-	-	2,417,881
Audit adjustments			6,762				6,762
Other comprehensive loss							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-	-
Loss on derecognition of equity investments	-	-	-	-	-	-	-
Total other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive income	-	-	2,417,881	-	-	-	2,417,881
Transfer to statutory reserve (see note 27(d))	-	-	-	-	-	-	-
Transfer from regulatory risk reserve (see note 6(c)(ii))	-	-	-	-	-	-	-
Contributions by and distributions to equity holders							
Dividend paid (see note 33)	-	-	(719,155)	-	-	-	(719,155)
Increase in share capital	-	-	-	-	-	-	-
Total contributions and distributions	-	-	(719,155)	-	-	-	(719,155)
Balance at 31 December 2024	2,996,477	4,166,786	3,556,800	(13,147)	1,988,772	-	12,695,688

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
Balance at 1 January 2023	2,996,477	4,166,786	1,207,471	(5,349)	1,733,915	478,563	10,577,865
Total comprehensive income							
Profit for the period	-	-	1,019,430	-	-	-	1,019,430
Other comprehensive loss							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	(7,798)	-	-	(7,798)
Loss on derecognition of equity investments	-	-	-	22,999	-	-	22,999
Total other comprehensive loss	-	-	-	(7,798)	-	-	(7,798)
Total comprehensive income	-	-	1,019,430	(7,798)	-	-	1,011,632
Transfer to statutory reserve (see note 27(d))	-	-	(254,857)	-	254,857	-	-
Transfer to regulatory risk reserve (see note 6(c)(ii))	-	-	478,563	-	-	(478,563)	-
Contributions by and distributions to equity holders							
Dividend paid (see note 33)	-	-	(599,295)	-	-	-	(599,295)
Increase in share capital	-	-	-	-	-	-	-
Total contributions and distributions	-	-	(599,295)	-	-	-	(599,295)
Balance at 31 December 2023	2,996,477	4,166,786	1,851,312	(13,147)	1,988,772	-	10,990,202

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024

<i>In thousands of naira</i>	Note	31-Dec-2024	Audited 31-Dec-2023
Cash flows from operating activities			
Profit before tax		3,223,842	1,614,377
<i>Adjustments for:</i>			
Depreciation of property and equipment	21	469,658	380,477
Amortization of intangible assets	22	3,948	18,139
Net impairment loss on loans and advances to customers	12	-	861,653
Net impairment loss on pledged assets	12	-	4,623
Net impairment loss on other assets	12	-	(63,957)
Net impairment (gain)/ loss on investment securities	12	-	(139)
Interest income	8	(11,508,586)	(9,353,656)
Payment of interest on lease liability	25(d)(i)	(9,142)	(9,142)
Interest expense	9	1,098,815	963,224
Profit on sale of property and equipment	11	(9,010)	(8,456)
Gain on derecognition of lease liability	11	-	-
		(6,730,475)	(5,592,857)
<i>Changes in:</i>			
- pledged assets	34(b)	218,712	(408,698)
- loans and advances to customers	34(c)	(3,359,730)	1,502,400
- other assets	34(d)	(114,470)	(1,090,891)
- deposits from customers	34(e)	13,005,533	8,161,147
- other liabilities	34(f)	8,655,923	1,969,645
		11,675,493	4,540,746
Interest received	34(h)	8,354,761	9,337,706
Interest paid*	34(i)	(1,088,495)	(1,351,973)
Tax paid	15(b)	(676,470)	(391,799)
VAT paid	25	(17,489)	(20,923)
Net cash generated/ (used in) from operating activities		18,247,800	12,113,758
Cash flows from investing activities			
Acquisition of property and equipment	34(a)(ii)	(668,963)	(547,019)
Acquisition of intangible assets	22	-	(1,569)
Payment for new leased properties*	34(j)	10,271	(8,090)
Proceeds from disposal of property and equipment	34(a)(i)	21,701	8,456
Dividends received	11	-	-
Net cash flows used in investing activities		(636,991)	(548,222)
Cash flows from financing activities			
Repayment of principal on borrowings	24(b)	(1,345,780)	(1,348,011)
Repayment of interest on borrowings	24(b)	-	-
Payment of principal on lease liability	25(d)(i)	(66,370)	(66,370)
Additions to borrowings	24(b)	-	1,500,000
Dividend paid	33	(719,155)	(599,295)
Proceeds from increase in share capital	26	-	-
Addition to share premium	27(a)	-	-
Net cash (used in)/ generated from financing activities		(2,131,305)	(513,676)
Net increase in cash and cash equivalents		15,479,504	11,051,860
Cash and cash equivalents as at 1 January		17,551,263	6,499,403
Cash and cash equivalents as at 31 December	16	33,030,766	17,551,263

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

8 Interest income

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Loans and advances	10,007,858	14,421,179	8,629,993
Government Securities	78,797	47,856	-
Treasury bills	266,105	248,275	102,924
Call accounts	1,155,826	713,345	554,085
Pledged assets	-	1,775	49,862
Money market placement	-	-	16,792
Total interest income calculated using the effective interest method	11,508,586	15,432,430	9,353,656

9 Interest expense

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Term deposits	973,389	951,276	718,755
Current deposits	52,554	43,283	34,846
Savings deposits	54,574	78,395	47,168
Borrowings (see note 24(b))	-	183,945	143,477
Lease liabilities (see note 25(c))	18,298	7,555	18,978
Total interest expense	1,098,815	1,264,454	963,224

Total interest expense reported above relates to financial liabilities measured at amortised cost using the applicable effective interest rates.

10 Fees and commission income*

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Credit-related fees and commission	844,386	529,760	568,079
Deposit-related fees and commission	629,395	363,529	370,025
	1,473,781	893,289	938,104

(i) Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of fees.

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	31-Dec-2023
Loan management fee	251,157	218,182	183,740
Loan commitment fee	370,687	159,993	245,906
Insurance fee	193,034	125,933	118,904
Credit search fee	29,508	25,652	19,530
	844,386	529,760	568,080
Admin and management fee	262,251	87,446	107,540
Account maintenance fee	171,072	163,433	157,265
Service fees and charges (see (iii) below)***	196,072	112,650	105,220
	629,395	363,529	370,025
	1,473,781	893,289	938,105

*** The value presented as service fees and charges, credit-related fees and commission was reported in the prior year financial statements as part of "Other income". Considering the nature of the income (see note iii) and in line with the requirements of IAS 1. The fee and commission presented above relate to financial assets and liabilities measured at amortised cost. These figures excludes amounts incorporated in determining the effective interest rate on such financial assets and liabilities.

Loan management fee relates to fees for loan processing and fee on overdraft facilities granted to customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

(ii) Performance obligation and revenue recognition policy

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

For the accounting policy for fees and commissions in the scope of IFRS 9, see note 4(b).

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail and corporate banking service	The bank provides banking services to retail and corporate customers, including account management, provision of overdraft facilities and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis. The rates for the different class of accounts are set on an annual basis. Transaction-based fees for interchange and overdrafts are charged to the customer's account when the transaction takes place. Loan servicing fees are charged once when the transaction takes place.	Revenue from deposit related services are recognized overtime as the services are provided. Revenue from credit related services are recognized at a point in time when the transaction takes place.

(iii) Service fees and charges include fees on customer requests such as issuance of letter of indebtedness, charges on issuance of drafts, seals, stamps, reference letters and signature confirmation letters. These are recognized at the point in time when the transaction takes place.

11 Other income

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 30-Nov-2024	Audited 31-Dec-2023
Profit on disposal of property and equipment	9,010	289	8,456
Dividend income	-	-	-
	<u>9,010</u>	<u>289</u>	<u>8,456</u>

12 Impairment loss/(write-back) on financial instruments

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Impairment loss on loans and advances to customers (see note 18(c))	-	372,000	861,653
Impairment loss/(write-back) on investment securities at amortised cost (see note 19(c))	-	-	(139)
Impairment loss on other assets (see note 20(e))	-	-	(63,957)
Impairment loss on cash and cash equivalent (see note 16(b))	-	-	61,883
Impairment loss on pledged assets (see note 17(b))	-	-	4,623
	<u>-</u>	<u>372,000</u>	<u>864,063</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

13 Personnel expenses

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Wages and salaries	3,381,169	4,386,761	3,239,976
Post-employment benefits:			
Defined contribution plan - pension cost	145,357	150,553	115,810
	<u>3,526,526</u>	<u>4,537,314</u>	<u>3,355,786</u>

(b) Director's emolument

The remuneration paid to the executive and non-executive Directors of the Bank (excluding pension and certain allowances) was:

<i>In thousands of naira</i>	31-Dec-2024	31-Dec-2023
Directors' fees	50,000	22,917
Sitting allowances	99,300	70,451
Other Directors' expenses	409,362	262,619
Total non-executive Directors' remuneration (see note 14(a))	<u>558,662</u>	<u>355,987</u>
Executive compensation (see note 28(b)(i))	115,576	115,576
	<u>674,238</u>	<u>471,563</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

14 Other operating expenses

<i>In thousands of naira</i>	31-Dec-2024	Budgeted 31-Dec-2024	Audited 31-Dec-2023
Repairs and maintenance cost	534,415	552,893	348,428
Vehicle and generator running cost	379,277	372,819	276,163
Office expenses	302,185	311,550	206,065
Computer expenses	1,134,788	1,589,730	532,119
Travel expenses	187,729	159,520	118,164
AGM expenses	50,977	24,477	16,318
Year-end expenses	353,668	334,103	179,784
30th year anniversary	-	-	-
Directors' remuneration	564,585	506,156	364,330
Bank charges	32,076	53,784	39,840
Marketing/publicity expenses	374,772	490,722	208,121
Professional fees	172,617	232,915	137,262
Subscription fees	13,270	17,720	13,126
Charges and levies	136,885	183,541	134,429
Insurance cost	92,260	126,296	72,812
NDIC premium	72,637	70,860	52,489
Electricity expenses	62,084	52,627	38,983
Recruitment expenses	58,507	60,300	2,628
Legal expenses	20,699	18,024	32,017
SMS alerts	60,859	119,024	86,919
Audit fees (<i>see note (i) below</i>)	45,309	45,731	65,800
Corporate social responsibility	1,000	50,000	-
Donations	8,615	1,434	712
Loan recovery expenses	24	925	685
Fines/penalty	3,504	-	1,796
Stamp duties	126	3,575	2,648
Bad debts written off	-	-	162,072
Share listing expenses	5,561	16,264	4,651
Fraud, forgery and theft	160	7,815	5,789
	<u>4,668,588</u>	<u>5,402,805</u>	<u>3,104,150</u>

(i) The auditors of the Bank did not offer any other services apart from the statutory audit related activities during the period.

15 Income taxes

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
(a) Amounts recognized in profit or loss		
<i>Current tax expense</i>		
Company income tax	803,442	575,533
Education tax	93,473	71,421
National Information Technology Development Agency (NITDA) levy	27,133	16,144
Nigeria Police Trust Fund (NPTF) levy	136	81
National Agency for Science and Engineering Infrastructure (NASeni) levy	6,784	4,036
	<u>930,968</u>	<u>667,215</u>
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences (see note (c))		(72,268)
<i>Tax expense</i>	<u>930,968</u>	<u>594,947</u>
(b) Movement in current tax liabilities		
Balance at 1 January	676,470	401,054
Income tax expense (see note (a) above)	805,961	667,215
Tax paid	(676,470)	(391,799)
Balance at 31 December	<u>805,961</u>	<u>676,470</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

(c) Movement in deferred tax balances

31 December 2024

<i>In thousands of naira</i>	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 31 December
Property and equipment	235,908	-	-	235,908
Impairment allowance	(229,658)	-	-	(229,658)
Others	46,213	-	-	46,213
Deferred tax liabilities	52,464	-	-	52,463

31 December 2023

<i>In thousands of naira</i>	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 31 December
Property and equipment	188,724	47,184	-	235,908
Impairment allowance	(73,142)	(156,516)	-	(229,658)
Others	9,147	37,067	-	46,213
Deferred tax liabilities	124,730	(72,265)	-	52,464

Deferred tax liabilities

The Bank's deferred tax liabilities are attributable to the following:

<i>In thousands of naira</i>	31-Dec-2024		31-Dec-2023	
	Gross amount	Tax effect	Gross amount	Tax effect
Property and equipment	1,606,486	235,908	1,340,166	235,908
Impairment allowance	(223,727)	(229,658)	(223,727)	(229,658)
Others	33,819	46,213	53,111	46,213
	1,416,578	52,464	1,169,550	52,464

(d) Reconciliation of effective tax rate

In thousands of naira

	31-Dec-2024		31-Dec-2023	
	%	3,223,842	%	1,614,378
Profit before tax				
Tax using the Bank's domestic tax rate	30	967,153	30	484,313
Non-deductible expenses	(5)	(155,664)	7	116,162
Tax-exempt items	(3)	(97,210)	(6)	(97,210)
Tertiary Education Tax	2	71,421	4	71,421
NITDA Levy	1	16,144	1	16,144
Nigeria Police Trust Fund (NPTF) levy	0	81	0	81
NASENI Levy	0	4,036	0	4,036
	25	805,961	37	594,947

16 Cash and cash equivalents

In thousands of naira

(a) Cash and cash equivalent comprise:

Cash on hand:

Cash on hand

112,183 114,135

Held-to-maturity Treasury Bills:

Treasury Bills

11,055 77,400

123,238 191,535

Deposits with banks:

Current account balances with other banks

18,712,523 5,719,403

Money market placements

14,258,482 11,640,322

33,094,243 17,551,260

Cash and cash equivalents for cash flow purposes:

Impairment allowance (see note (b))

(63,477) (63,477)

Cash and cash equivalents

33,030,766 17,487,783

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

(b) Movement in impairment allowance:

Balance at 1 January	63,477	1,594
Impairment loss (see note 12)	-	61,883
	63,477	63,477

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash-in-hand, deposits held at call with other banks, other short-term highly liquid investments with original maturities less than three months. The current balances with other banks also includes ATM working capital accounts and the suspense accounts used to manage settlement of ATM transactions with Sterling Bank to be refunded to the Head office by branches. For financial reporting purposes, the balances in the ATM related accounts were combined in order to have a net position.

17 Pledged assets

Pledged assets, initially recognised at fair value and subsequently measured at amortised cost, represent placements and Treasury Bills with banks that serve as collateral for the Bank's borrowings, use of NIBSS platform and ATM transactions as analysed below:

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
<i>Underlying transaction</i>		
<i>Counterparty</i>		
<i>Asset description</i>		
DBN concessionary loan	558,602	611,823
NIBSS Platform	-	225,203
NIBSS Platform	1,117,653	1,048,594
ATM Transactions	20,000	20,000
NIBSS Platform	-	4,206
	1,696,255	1,909,826
Impairment allowance (see note (b) below)	(20,484)	(20,484)
	1,675,771	1,889,342
Current	1,675,771	1,889,342
Non-current	-	-
	1,675,771	1,889,342

(b) Movement in impairment allowance:

Balance at 1 January	20,484	15,861
Impairment loss (see note 12)	-	4,623
	20,484	20,484

18 Loans and advances to customers

In thousands of naira

(a) Loans and advances to customers comprise:

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
Loan and advances to customers at amortised cost	25,448,103	21,552,344
	25,448,103	21,552,344
Current	21,444,989	18,162,053
Non-current	4,003,114	3,390,291
	25,448,103	21,552,344

(b) Loans and advances to customers at amortised cost:

<i>In thousands of naira</i>	31 December 2024			31 December 2023		
	Amount	Allowance	Amount	Amount	ECL Allowance	Amount
Term loans	25,954,697	(253,862)	25,700,835	21,957,861	(251,715)	21,706,146
Overdrafts	942,457.00	(1,195,189)	(252,732)	1,040,683	(1,194,485)	(153,802)
	26,897,154	(1,449,051)	25,448,103	22,998,544	(1,446,200)	21,552,344

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

(c) Movement in allowances for impairment

	31 December 2024				31 December 2023			
<i>In thousands of naira</i>	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at the beginning of the year	568,931	17,467	859,802	1,446,200	98,418	56,687	530,471	685,576
Additional allowance during the year (see note 12)	-	-	-	-	470,513	(39,220)	430,360	861,653
Writeback/(writeoffs) during the year	-	-	2,852	2,852	-	-	(101,029)	(101,029)
Balance at the end of the year	568,931	17,467	862,654	1,449,052	568,931	17,467	859,802	1,446,200

19 Investment securities

Investment securities comprise:

(a) Investment securities measured at FVTOCI:

	31-Dec-2024	Audited 31-Dec-2023
<i>Equity securities:</i>		
Listed equities	1,056	1,056
Unlisted equities	-	-
	1,056	1,056

The Bank has designated these equity investment securities at FVTOCI. They are held to be disposed off in the nearest future. The balance in unlisted equity investments have been fully impaired during the year ended 31 December 2023 (31 December 2023: Impaired), and there were no transfers to profit or loss account of any cumulative gain or loss within equity relating to these investments (31 December 2023: nil). The change in fair value on these investments were as follows:

	31-Dec-2024	31-Dec-2023
Balance at beginning of the year		
Listed equities	1,056	1,326
Unlisted equities	-	7,528
	1,056	8,854
Balance at end of the year		
Listed equities	1,056	1,056
Unlisted equities	-	-
	1,056	1,056
Fair value gain/(loss)	-	(7,798)
Loss on derecognition of equity investments	-	22,999

(b) Investment securities at amortised cost

Treasury bills	3,253,981	1,368,207
ECL impairment	(80)	(80)
	3,253,901	1,368,127
Government Bond	516,998	500,000
Total investment securities	3,771,955	1,869,183
Total investment securities for cashflow purpose	3,255,037	1,369,263
Current	3,771,955	1,869,183
Non-current	-	-
	3,771,955	1,869,183

(c) Movement in impairment allowance

Balance at the beginning of the year	80	219
Impairment loss/(writeback) during the year (see note 12)	-	(139)
Balance at the end of the year	80	80

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FOR THE PERIOD ENDED 31 DECEMBER 2024

20 Other assets

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
<i>Other financial assets:</i>		
Other receivables (see note (c) below)	786,896	163,312
Impairment allowance (see note (d) below)	(92,707)	(92,707)
	<u>694,189</u>	<u>70,605</u>
<i>Non financial assets:</i>		
Prepayments (see note (a) below)	288,391	324,326
Inventories (see note (b) below)	130,074	163,688
	<u>418,465</u>	<u>488,014</u>
	<u>1,112,654</u>	<u>558,619</u>
Current	898,352	344,317
Non-current	214,302	214,302
	<u>1,112,654</u>	<u>558,619</u>

(a) Prepayments comprise the following:

Prepaid insurance	44,794	52,066
Prepaid staff benefits	214,302	214,301
Other prepaid expense (see note (i) below)	29,295	57,959
	<u>288,391</u>	<u>324,326</u>

(i) *Other prepaid expense comprise:*

Prepayment of computer maintenance cost	22,629	30,274
cost	6,666	27,685
	<u>29,295</u>	<u>57,959</u>

(b) Inventories comprise stock of debit cards, stock of credit cards, stock of cheques, books/journals/CDs, stock of office stationeries, stock of micr cheques and non micr cheques, assets under construction, deferred share issue cost.

<i>In thousands of naira</i>	31-Dec-2024	31-Dec-2023
Stock (see note (i) below)	130,074	155,166
Assets under construction	-	8,522
Deferred share issue cost	-	-
	<u>130,074</u>	<u>163,688</u>

(i) *The amount in stock comprise:*

	31-Dec-2024	31-Dec-2023
Stock of cheques	396	109
Stock of office stationeries	15,751	23,888
Stock of micr cheques	26,108	26,128
Stock of non-micr cheques	35,466	32,685
Stock of ATM cards	4,787	18,087
Stock of credit cards	35,081	36,330
Stock of adhesive stamps	12,485	17,939
	<u>130,074</u>	<u>155,166</u>

(c) Other receivables includes staff cash advances and sundry debtors.

(d) Movement in impairment allowances:

<i>In thousands of naira</i>	31-Dec-2024	31-Dec-2023
Balance at the beginning of the year	92,707	156,664
Impairment loss during the year	-	(63,957)
Balance at the end of the year	<u>92,707</u>	<u>92,707</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

21 Property and Equipment

In thousands of naira

	Buildings	Freehold Land	Right-of-Use Asset	Furniture and Fittings	Motor Vehicles	Computer Equipment	Office Equipment	Total
Cost:								
Balance as at 1 January 2023	510,775	52,118	387,232	194,601	621,649	554,394	433,934	2,754,702
Additions during the year	-	-	8,090	53,276	285,431	178,103	30,209	555,109
Disposals	-	-	-	(462)	(85,468)	(5,022)	(3,139)	(94,091)
Write-off	-	-	-	-	-	(629)	-	(629)
Balance at 31 December 2023	510,775	52,118	395,322	247,415	821,613	726,845	461,004	3,215,091
Balance as at 1 January 2024	510,775	52,118	395,322	247,415	821,613	726,845	461,004	3,215,091
Additions during the year	-	-	2,420	30,977	370,746	165,056	102,184	671,383
Disposals	-	-	(12,691)	(1,173)	(89,124)	(6,976)	(27,524)	(137,487)
Write-off	-	-	-	(727)	-	(670)	-	(1,397)
Balance at 31 December 2024	510,775	52,118	385,051	276,493	1,103,235	884,255	535,664	3,747,590
Accumulated Depreciation:								
Balance at 1 January 2023	71,755	-	138,727	105,486	512,461	344,924	224,718	1,398,070
Charge for the year	10,355	-	65,498	30,436	100,153	111,423	62,613	380,477
Disposals	-	-	-	(462)	(85,468)	(5,022)	(3,139)	(94,091)
Write-off	-	-	-	-	-	(629)	-	(629)
Balance at 31 December 2023	82,110	-	204,225	135,460	527,147	450,695	284,192	1,683,828
Balance at 1 January 2024	82,110	-	204,225	135,460	527,147	450,695	284,192	1,683,828
Charge for the year	10,355	-	67,016	36,221	136,781	149,373	69,912	469,658
Disposals	-	-	-	(1,173)	(89,124)	(6,976)	(27,524)	(124,796)
Write-off	-	-	-	(727)	-	(670)	-	(1,397)
Balance at 31 December 2024	92,465	-	271,241	169,781	574,804	592,423	326,580	2,027,294
Carrying amount as at 1 January 2023	439,020	52,118	248,505	89,115	109,188	209,470	209,216	1,356,632
Carrying amount: 31 December 2023	428,665	52,118	191,097	111,955	294,467	276,150	176,811	1,531,263
Carrying amount: 31 December 2024	418,310	52,118	113,810	106,712	528,431	291,832	209,084	1,720,296

- There was no impairment loss on all classes property and equipment during the year (31 December 2023: Nil).
- There were no property and equipment pledged as securities for liabilities (31 December 2023: Nil).
- There were no contractual commitments for the acquisition of property and equipment (31 December 2023: Nil).

On 1 January 2019, following the adoption of IFRS 16, the Bank recognises right-of-use assets for leases of branch premises and has presented right-of-use assets within 'property and equipment' – i.e. the same line item in which it presents underlying assets of the same nature that it owns.

22 Intangible asset

In thousands of naira

	31-Dec-2024	Audited 31-Dec-2023
Computer software		
Cost:		
Balance at beginning of the year	96,062	94,493
Addition during the year	-	1,569
Balance at end of the year	96,062	96,062
Accumulated Amortisation:		
Balance at start of the year	94,015	75,876
Charge for the year	3,948	18,139
Balance at end of the year	97,963	94,015
Carrying amount at end of the year	(1,901)	2,047

- All intangible assets are non current. Intangible assets of the Bank have finite useful life and are amortised over 3 years.
- The Bank does not have internally generated intangible assets.

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

23 Deposits from customers

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
Current deposits	27,116,713	16,850,778
Savings deposits	6,917,251	5,641,250
Term deposits	5,546,026	4,043,111
Sundry deposits	379,600	404,512
	39,959,590	26,939,651

24 Borrowings

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
(a) Borrowings comprise:		
DBN concessionary loan (see note (i) below)	483,184	2,065,020
CBN housing microfinance loan	-	-
	483,184	2,065,020

(i) The Bank obtained the following Development Bank of Nigeria (DBN) loans for on-lending to micro, small and medium enterprises to grow their businesses.

Date facility was obtained	Amount (₦'million)	Outstanding Amount (₦'million) 31- Dec-2024	Outstanding Amount (₦'million) 31-Dec-2023	Rate (%)	Tenor
10 August 2022	1,000	-	379	14.00	2 years
29 September 2022	400	-	123	14.50	2 years
29 November 2022	450	-	150	17.50	2 years
04 August 2023	500	106	438	18.50	2 years
19 September 2023	1,000	377	951	18.50	2 years
	5,575	483	2,041		

The Bank has not had any defaults of principal or interest or other breaches with respect to the loan facilities as at year end 31 December 2024.

(b) The movement in borrowings during the YEAR was as follows:

<i>In thousands of naira</i>	31-Dec-2024	31-Dec-2023
Balance, beginning of the year	2,252,569	2,413,158
Additions during the year	-	1,500,000
Interest accrued during the year (see note 9)	-	143,477
Interest paid during the year	(423,605)	(456,055)
Principal repayment during the year	(1,345,780)	(1,348,011)
Balance at year end	483,184	2,252,569
Total repayment of borrowings (for cashflow)	(1,769,385)	(1,804,066)

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

25 Other liabilities

<i>In thousands of naira</i>	31-Dec-2024	Audited 31-Dec-2023
<i>Financial liabilities:</i>		
Accounts payable	5,845	46,184
Productivity bonus (see note (a))	0	557,382
Sundry creditors (see note (b))	238,637	290,584
Accruals	394,456	211,540
Settlement accounts (see note (c))	10,980,047	2,600,164
Other payables	911,060	232,351
Unearned income	783.00	783
Deposit for shares	55,819	152
	<u>12,586,647</u>	<u>3,939,140</u>
Lease liability (see note (d))	78,090	140,033
<i>Non-financial liabilities:</i>		
Withholding tax payable	78,532	66,682
VAT payable	17,489	20,923
	<u>12,760,758</u>	<u>4,166,778</u>
Current	12,682,668	4,026,745
Non-current	78,090	140,033
	<u>12,760,758</u>	<u>4,166,778</u>

(a) This amounts represents accrual made at the end of the year for payment of productivity bonus to employees of the Bank. It is linked to the performance of the Bank.

(b) This amount represents provision for leave allowance to staff and profit sharing unpaid as at year end.

(c) These amounts comprise the transactions of the Bank's customers performed through the various e-channels but were yet to be settled as at year end.

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

26 Share capital

	<u>31-Dec-2024</u>	<u>31-Dec-2023</u>
Authorised:		
6,000,000,000 units of ordinary shares of 50 kobo each	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid:		
5,992,954,557 units of ordinary shares of 50 kobo each	<u>2,996,477</u>	<u>2,996,477</u>
The movement in share capital is as shown below:		
Balance at the beginning of the year	2,996,477	2,996,477
Recapitalisation during the year	-	-
Balance	<u>2,996,477</u>	<u>2,996,477</u>

27 Share premium and reserves

The nature and purpose of the share premium and reserve accounts in equity are as follows:

(a) Share premium

The share premium warehouses the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.

The movement in share premium during the year was as follows:

<i>In thousands of naira</i>	<u>31-Dec-2024</u>	<u>31-Dec-2023</u>
Balance, beginning of the year	4,166,786	4,166,786
Addition to share premium during the year	-	-
Balance at year end	<u>4,166,786</u>	<u>4,166,786</u>

(b) Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

(c) Fair value reserve

Fair value reserve comprise the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

(d) Statutory reserve

The Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.8.1.7 of the Amended Regulatory and Supervisory Guidelines for Microfinance Banks issued by the Central Bank of Nigeria (CBN), an appropriation of 50% of profit after tax is made if the statutory reserve is less than 50% of its paid-up share capital, 25% of profit after tax if the statutory reserve is greater than 50% but less than 100% of its paid-up share capital and 12.5% of profit after tax if the statutory reserve is greater than the paid up share capital.

In line with the CBN requirement, the Bank transferred 25% of its profit after tax to statutory reserves as at year-end .

<i>In thousands of naira</i>	<u>31-Dec-2024</u>	<u>31-Dec-2023</u>
Balance, beginning of the year	1,988,771	1,733,915
Transfer to statutory reserve during the year	-	254,856
Balance at year end	<u>1,988,771</u>	<u>1,988,771</u>

(e) Regulatory risk reserve

The regulatory risk reserve warehouses the excess of the impairment allowance on loans and advances computed based on the Central Bank of Nigeria prudential guidelines over that computed based on the expected credit loss (ECL) model under IFRS. For better presentation, the regulatory risk reserve was reclassified from retained earnings on the statement of changes in equity (see note 6(c)(ii)).

28 Related party transactions

(a) Parent and ultimate controlling party

As at the year ended 31 December 2024, the Nigeria Police Co-operative Society Limited owns the majority of the Banks shares. As a result, the parent and ultimate controlling party of the Bank is the Nigeria Police Co-operative Society Limited. The Bank does not have a subsidiary.

