NPF MICROFINANCE BANK PLC
RC. 220824

UNAUDITED 2ND QUARTER FINANCIAL STATEMENT
30 JUNE, 2026

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2026

In thousands of naira	Note	30-Jun-2026	30-Jun-2025
ASSETS			
Cash and cash equivalents	16	4,122,654	9,822,331
Investment securities	19	3,448,430	3,017,626
Loans and advances to customers	18	48,133,748	36,111,309
Pledged assets	17	2,162,690	1,912,242
Other assets	20	1,519,600	884,320
Property and equipment	21	2,002,242	1,506,702
Intangible Asset	22	181,621	741
Deferred tax asset	15(c)	132,536	-
TOTAL ASSETS		**61,703,520**	**53,255,269**
LIABILITIES			
Deposits from customers	23	38,739,161	34,894,410
Current tax liabilities	15(b)	1,160,335	1,294,734
Other liabilities	25	4,840,228	3,775,921
Borrowings	24	2,342,846	327,169
Deferred tax liabilities	15(c)	100	66.642
TOTAL LIABILITIES		**47,082,669**	**40,358,876**
CAPITAL AND RESERVES			
Share capital	Jan-00	2,996,477	2,996,477
Share premium	27(a)	4,166,786	4,166,786
Retained earnings	27(b)	4,367,840	3,363,946
Fair value reserve	27(c)	(18,979)	(13,147)
Statutory reserve	27(d)	3,108,727	2,382,331
Regulatory risk reserve	27(e)	-	-
TOTAL EQUITY		**14,620,851**	**12,896,393**
TOTAL LIABILITIES AND EQUITY		**61,703,520**	**53,255,269**

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

Mr. Habeeb A. Yusuf
Managing Director
FRC/2025/PRO/DIR/003/ICAN/163632

The accompanying notes are an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30TH JUNE 2026

In thousands of naira	Note	April- Jun 2026	30-Jun-2026	April- Jun 2025	30-Jun-2025
Gross earnings		5,684,677	11,179,602	4,721,986	9,226,752
Interest income	8	5,209,498	10,182,509	4,203,260	8,136,270
Interest expense	9	(652,724)	(1,349,667)	(312,830)	(610,173)
Net interest income		4,556,774	8,832,842	3,890,430	7,526,097
Fees and commission income	10	474,340	985,596	518,099	1,089,611
Revenue		5,031,114	9,818,438	4,408,529	8,615,708
Other income	11	839	11,497	627	871
Net impairment loss on financial instruments	12	(1,237)	(1,237)	(60)	(60)
Personnel expenses	13	(1,503,692)	(2,822,978)	(1,352,750)	(2,523,039)
Other operating expenses	14	(1,690,843)	(3,383,286)	(1,477,752)	(2,861,883)
Depreciation of property and equipment	21	(212,799)	(380,222)	(132,614)	(264,815)
Amortisation of intangible assets	22	(23,592)	(47,185)	(130)	(261)
Profit before tax		1,599,790	3,195,027	1,445,850	2,966,521
Income tax expense	15(a)	(578,455)	(1,150,991)	(486,765)	(1,032,301)
Profit for the period		**1,021,335**	**2,044,036**	**959,085**	**1,934,220**
Other comprehensive loss					
Items that will not be reclassified to profit or loss (net of tax)					
Equity investment at fair value through OCI	19(a)	-	-	-	-
Income tax effect relating to items that will not be reclassified to P/L		-	-	-	-
Other comprehensive loss for the year		**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,021,335**	**2,044,036**	**959,085**	**1,934,220**
Basic and diluted earnings per share (kobo)	32	**17**	**34**	**16**	**32**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH JUNE 2026

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
Balance at 1 January 2026	2,996,477	4,166,786	3,593,081	(12,916)	3,108,727	-	13,852,155
Total comprehensive income							
Profit for the year	-	-	2,044,036	-	-	-	2,044,036
Audit adjustments not yet posted			(70,686)				(70,686)
Other comprehensive income (net of tax)							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	(6,063)	-	-	(6,063)
Loss on derecognition of equity investments	-	-	-	-	-	-	-
Total other comprehensive loss	-	-	-	(6,063)	-	-	(6,063)
Total comprehensive income	-	-	2,044,036	(6,063)	-	-	2,037,973
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)	-	-	(1,198,591)	-	-	-	(1,198,591)
Increase in share capital	-	-	-	-	-	-	-
Total contributions and distributions	-	-	(1,198,591)	-	-	-	(1,198,591)
Balance at 31ST MAY 2026	**2,996,477**	**4,166,786**	**4,367,840**	**(18,979)**	**3,108,727**	**-**	**14,620,851**

FOR THE YEAR ENDED 31ST DECEMBER 2025

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
Balance at 1 January 2025	2,996,477	4,166,786	2,312,835	(13,147)	2,382,331	-	11,845,282
Total comprehensive income							
Profit for the period	-	-	2,905,585	-	-	-	2,905,585
Audit adjustments	-	-	-	-	-	-	-
Other comprehensive loss							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	231	-	-	231
Loss on derecognition of equity investments	-	-	-	-	-	-	-
Total other comprehensive loss	-	-	-	231	-	-	231
Total comprehensive income	-	-	2,905,585	231	-	-	2,905,816
Transfer to statutory reserve (see note 27(d))	-	-	(726,396)	-	726,396	-	-
Transfer to regulatory risk reserve (see note 6(c)(ii))	-	-	-	-	-	-	-
Contributions by and distributions to equity holders							
Dividend paid (see note 33)	-	-	(898,943)	-	-	-	(898,943)
Increase in share capital	-	-	-	-	-	-	-
Total contributions and distributions	-	-	(898,943)	-	-	-	(898,943)
Balance at 31st December 2025	**2,996,477**	**4,166,786**	**3,593,081**	**(12,916)**	**3,108,727**	**-**	**13,852,155**

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE 2026

In thousands of naira	Note	30-Jun-2026	31-Dec-2025
Cash flows from operating activities			
Profit before tax		3,195,027	4,354,828
Adjustments for:			
Depreciation of property and equipment	21	380,222	616,231
Amortization of intangible assets	22	47,185	53,740
Net impairment loss on loans and advances to customers	12	1,237	537,439
Net impairment loss on cash and cash equivalents	12	-	(26,532)
Net impairment loss on pledged assets	12	-	(0)
Net impairment loss on other assets	12	-	43,411
Net impairment (gain)/ loss on investment securities	12	-	(12,835)
Interest income	8	(10,182,509)	(17,539,326)
Interest on lease liability	25(d)	(14,848)	(32,392)
Interest expense	9	1,349,667	1,643,691
Profit on sale of property and equipment	11	(1,083)	(5,228)
Loss on disposal of treasury bills	11	(10,087)	-
Dividends income	11	(327)	(666)
Gain on derecognition of lease liability	11	-	-
		(5,235,516)	(10,367,639)
Changes in:			
- pledged assets	34(b)	(122,190)	694,960
- loans and advances to customers	34(c)	(9,282,333)	(13,861,931)
- other assets	34(d)	(275,039)	(460,824)
- deposits from customers	34(e)	(4,136,643)	816,549
- other liabilities	34(f)	(1,427,841)	(6,906,283)
		(20,479,562)	(30,085,168)
Interest received	34(h)	10,368,633	16,878,238
Interest paid*	34(i)	(1,088,255)	(1,456,381)
Tax paid	15(b)	(1,648,325)	(849,090)
VAT paid		-	(51,260)
Net cash generated/ (used in) from operating activities		**(12,847,509)**	**(15,563,661)**
Cash flows from investing activities			
Acquisition of property and equipment	34(a)(ii)	(436,377)	(706,690)
Acquisition of intangible assets	22	-	(281,544)
Dividends received	11	327	666
Proceeds from disposal of property and equipment	34(a)(i)	10,446	20,317
Purchase of Treasury Bill investments	34(g)	410,545	(11,500,000)
Purchase of Listed instrument at FVOCI	34(g)	(5,826)	(49,763)
Redemption of Treasury Bill investments	34(g)	(419,232)	12,654,675
Net cash flows used in investing activities		**(440,117)**	**137,661**
Cash flows from financing activities			
Repayment of principal on borrowings	24(b)	(750,000)	(579,500)
Repayment of interest on borrowings	24(b)	(328,678)	(34,865)
Payment of principal on lease liability	25(d)	(101,830)	(100,018)
Additions to borrowings	24(b)	35,000	3,000,000
Dividend paid	33	(1,198,591)	(898,943)
Net cash (used in)/ generated from financing activities		**(2,414,785)**	**1,386,674**
Net increase in cash and cash equivalents		**(15,702,411)**	**(14,039,326)**
Cash and cash equivalents as at 1 January		19,875,415	33,914,742
Cash and cash equivalents as to date	16	**4,173,004**	**19,875,415**
		-	**1**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30TH JUNE 2026

8 Interest income

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Loans and advances	9,263,970	6,446,370	9,520,175	15,032,995
Government Securities	38,982	12,514	31,456	78,275
Treasury bills	224,882	351,206	395,245	582,812
Call accounts	497,197	1,326,180	1,293,531	1,118,977
Pledged assets	129,121	-	50,376	201,484
Money market placement	28,358	-	48,973	524,782
Total interest income calculated using the effective interest method	10,182,509	8,136,270	11,339,757	17,539,326

9 Interest expense

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Term deposits	1,018,658	495,959	997,820	1,369,570
Current deposits	7,766	40,460	83,474	89,372
Savings deposits	1,351	29,639	170,512	30,995
Borrowings (see note 24(b))	307,044	36,150	50,699	121,362
Lease liabilities (see note 25(c))	14,848	7,965	24,967	32,392
Total interest expense	1,349,667	610,173	1,327,472	1,643,691

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

10 Fees and commission income*

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Credit-related fees and commission	621,555	688,334	664,197	1,080,045
Deposit-related fees and commission	364,041	401,277	467,774	740,881
	985,596	1,089,611	1,131,971	1,820,926

(i) Disagregation 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.

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Loan management fee	241,590	191,629	261,795	442,612
Loan commitment fee	0	271,455	0	56
Insurance fee	348,944	197,297	365,035	578,127
Credit search fee	31,021	27,953	37,367	59,250
	621,555	688,334	664,197	1,080,045
Admin and management fee	173,994	219,476	235,174	399,421
Account maintenance fee	116,822	107,129	93,540	136,874
Service fees and charges (see (iii) below)***	73,225	74,672	139,060	204,586
	364,041	401,277	467,774	740,881
	985,596	1,089,611	1,131,971	1,820,926

*** 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.

(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
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

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Profit on disposal of property and equipment	1,083	871	1,973	5,228
Profit on disposal of shares	10,087	-	-	-
Dividend income	327	-	441	666
	11,497	871	2,415	5,894

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

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Impairment loss on loans and advances to customers (see note 18(c))	1,237	60	502,860	537,439
Impairment loss/(write-back) on inv. securities at amortised cost (see note 19(c))	-	-	-	(12,835)
Impairment loss on other assets (see note 20(d))	-	-	-	43,411
Impairment loss/(write back) on cash and cash equivalent (see note 16(b))	-	-	-	(26,532)
Impairment loss on pledged assets (see note 17(b))	-	-	-	(0)
	1,237	60	502,860	541,482

13 Personnel expenses

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Wages and salaries	2,707,847	2,307,788	2,949,693	6,481,364
Post-employment benefits:				
Defined contribution plan - pension cost	103,753	93,420	121,769	192,133
National Social Insurance Trust Fund (NSITF)	11,377	6,680	17,184	20,948
Retirement benefit	0	115,149	-	27,418
	2,822,978	2,523,037	3,088,646	6,721,863

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30TH JUNE 2026

14 Other operating expenses

In thousands of naira	30-Jun-2026	30-Jun-2025	Budgeted '30-Jun-2026	Audited '31-Dec-2025
Repairs and maintenance cost	533,885	440,634	517,211	907,747
Vehicle and generator running cost	200,675	181,264	228,276	362,470
Office expenses	171,175	148,817	215,540	317,626
Computer expenses	768,045	666,157	751,161	1,346,737
Travel expenses	93,199	51,100	87,441	141,507
AGM expenses	57,643	44,522	57,643	25,365
Year-end expenses	318,033	245,918	328,363	311,319
Long Service Award	38,795	-	-	0
Directors' remuneration	427,551	437,446	527,343	548,262
Bank charges	17,541	17,502	27,878	44,620
Marketing/publicity expenses	216,546	288,768	385,147	515,372
Professional fees	143,747	103,688	149,562	133,698
Subscription fees	7,238	8,367	15,560	10,487
Charges and levies	47,873	63,420	95,236	166,078
Insurance cost	58,539	56,265	72,689	118,503
NDIC premium	115,233	0	159,579	210,729
Electricity expenses	41,119	52,249	60,832	91,814
Recruitment expenses	66	3,254	2,433	3,119
Legal expenses	10,428	5,605	7,288	42,577
SMS alerts	29,000	19,388	33,843	55,829
Rent and rates	2,857	1,443.00	-	38,927.00
Audit fees *(see note (i) below)*	25,770	19,348	25,770	29,267
Corporate social responsibility	32,846	450	12,851	2,580
Donations	17,590	4,323	6,108	295
Loan recovery expenses	333	1,542	2,826	3,703
Fines/penalty	-	0	-	0
Stamp duties	716	60	47	60
Bad debts written off	-	-	-	0
Share listing expenses	6,353	323	21,014	2,800
Fraud, forgery and theft expense	490	30	406	520
Tax Expense	0	-	1,794	2,300
	3,383,286	2,861,883	3,793,836	5,434,311

(i) The auditors of the bank did not offer any service to the bank aside their statutory and regualtory mandate during the year. The auditors carried out their statutory related activities such as the assurance attestation on ICFR as required by the FRCN and NDIC deposit certification during the period.

15 Income taxes

	In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
(a)	**Amounts recognized in profit or loss**			
	Current tax expense			
	Company income tax	1,008,490	901,364	1,426,501
	Development Levy	142,501	-	-
	Education tax	-	93,707	167,479
	National Information Technology Development Agency (NITDA) levy	-	29,665	43,548
	Nigeria Police Trust Fund (NPTF) levy	-	148	-
	National Agency for Science and Engineering Infrastructure (NASENI) levy	-	7,417	10,888
		1,150,991	1,032,301	1,648,416
	Deferred tax expense			
	Origination and reversal of temporary differences (see note (c))	-	-	(199,173)
	Tax expense	1,150,991	1,032,301	1,449,243
(b)	**Movement in current tax liabilities**			
	Balance at 1 January	1,657,670	858,343	858,343
	Income tax expense (see note (a) above)	1,150,991	1,032,301	1,648,416
	Tax paid	(1,648,325)	(595,910)	(849,090)
	Balance at 30 June	1,160,335	1,294,733	1,657,670

(c) Movement in deferred tax balances

30 June 2026

In thousands of naira	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 31 December
Property and equipment	47,296	-	-	**47,296**
Impairment allowance	(347,577)	-	-	**(347,577)**
Others	167,744	-	-	**167,744**
Deferred tax	**(132,537)**	-	-	**(132,537)**

31 December 2025

In thousands of naira	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 31 December
Property and equipment	308,932	(261,635)	-	**47,296**
Impairment allowance	(288,507)	(59,070)	-	**(347,577)**
Others	46,213	121,531	99	**167,843**
Deferred tax	66,638	(199,174)	99	**(132,437)**

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

	30-Jun-2026		31-Dec-2025	
In thousands of naira	Gross amount	Tax effect	Gross amount	Tax effect
Property and equipment	157,655	47,296	157,655	47,296
Impairment allowance	(1,022,285)	(347,577)	(1,022,285)	(347,577)
Others	493,696	167,843	493,696	167,843
	(370,934)	**(132,437)**	**(370,934)**	**(132,437)**

(d) Reconciliation of effective tax rate

In thousands of naira	30-Jun-2026		31-Apr-2026	
Profit before tax	%	**3,195,027**	%	**4,354,828**
Tax using the Bank's domestic tax rate	30	958,508	30	1,306,448
Permanent differences:				
Tax-exempt items	(4)	(112,654)	(3)	(112,654)
Non deductible expense	4	125,865	4	125,865
Statutory levies:				
Tertiary Education Tax	-	-	4	167,479
NITDA Levy	-	-	1	43,548
Nigeria Police Trust Fund (NPTF) levy	-	-	-	0
NASENI and other Levy	-	-	0	10,888
Recognition of previously unrecognized temporary differences	0		0	
Adjustment for prior period		-	- 2	(92,331)
	30	**971,719**	36	**1,449,243**

16 Cash and cash equivalents

	In thousands of naira	30-Jun-2026	30-Jun-2025	'31-Dec-2025
(a)	Cash and cash equivalent comprise:			
	Cash on hand:			
	Cash on hand	195,837	145,525	114,873
	Held-to-maturity Treasury Bills*:			
	Treasury Bills (See note c)	-	60,607	-
		195,837	206,132	114,873
	Deposits with banks:			
	Current account balances with other banks	2,724,573	1,245,878	19,703,675
	Money market placements	1,252,594	8,447,202	56,868
	Cash and cash equivalents for cash flow purposes:	4,173,004	9,899,212	19,875,416
	Impairment allowance (see note (b))	(50,350) -	76,881	(50,349)
	Cash and cash equivalents	4,122,654	9,822,331	19,825,067
(b)	Movement in impairment allowance:			
	Balance at 1 January	50,349	76,881	76,881
	Impairment loss (see note 12)	-	- -	26,532
		50,349	76,881	50,349

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.

(c) Certain treasury bills previously classified as cash equivalents have been reclassified to investment to better reflect their maturity profile in accordance with IAS 7

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:

In thousands of naira			30-Jun-2026	30-Jun-2025	'31-Dec-2025
Underlying transaction	***Counterparty***	***Asset description***			
DBN concessionary loan	Development Bank of Nige	Treasury Bills	936,330	775,889	859,491
NIBSS Platform	First Bank of Nigeria Plc	Fixed placement	-	0	0
NIBSS Platform	Zenith Bank Plc	Fixed placement	1,314,437	1,224,430	1,267,888
NIBSS Platform	Zenith Bank Plc	Fixed placement	-	-	0
ATM Transactions	Sterling Bank Plc	Call placement	20,000	20,000	21,198
NIBSS Platform	First Bank of Nigeria Plc	Fixed placement	-	-	-
			2,270,767	2,020,319	2,148,577
Impairment allowance (see note (b) below)			(108,077)	(108,077)	(108,077)
			2,162,690	1,912,242	2,040,500
Current			2,162,690	1,912,242	2,040,500
Non-current			-	-	-
			2,162,690	**1,912,242**	**2,040,500**

(b)	Movement in impairment allowance:			
	Balance at 1 January	(108,077)	108,077	108,077
	Impairment loss (see note 12)	-	-	(0)
		(108,077)	108,077	(108,077)

18 Loans and advances to customers

	In thousands of naira	30-Jun-2026	30-Jun-2025	'31-Dec-2025
(a)	Loans and advances to customers comprise:			
	Loan and advances to customers at amortised cost	48,133,748	36,111,309	38,852,652
		48,133,748	36,111,309	38,852,652
	Current	41,142,816	30,430,820	34,836,945
	Non-current	6,990,932	5,680,489	4,015,707
		48,133,748	36,111,309	38,852,652

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

In thousands of naira	30 Jun 2026			31 December 2025		
	Gross Amount	**ECL Allowance**	**Carrying Amount**	**Gross Amount**	**ECL Allowance**	**Carrying Amount**
Term loans	43,817,809	(1,661,819)	42,155,990	39,508,156	(1,660,582)	37,847,574
Overdrafts	6,021,856	(44,098)	5,977,758	1,049,176	(44,098)	1,005,078
	49,839,665	(1,705,917)	48,133,748	40,557,332	(1,704,680)	38,852,652

(c)

In thousands of naira	30 Jun 2026				31 Dec 2025			
	12-month ECL	**ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**	**12-month ECL**	**ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Balance at the beginning of the year	1,435,197	3,593	265,890	1,704,680	731,412	4,175	656,524	1,392,111
Additional allowance during the year (see note 12)	-	-	-	-	703,785	(582)	(165,764)	537,439
Writeoffs during the year	1,237	-	-	1,237	-	-	(224,870)	(224,870)
Balance at the end of the year	1,436,434	3,593	265,890	1,705,917	1,435,197	3,593	265,890	1,704,680
				-				

19 Investment securities

Investment securities comprise:

(a) Investment securities measured at FVTOCI:

	30-Jun-2026	**30-Jun-2025**	**'31-Dec-2025**
Equity securities:			
Listed equities	45,323	1,056	51,149
Unlisted equities	-	-	-
	45,323	1,056	51,149

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 2025 (31 December 2024: 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 2024: nil). The change in fair value on these investments were as follows:

		30-Jun-2026	**30-Jun-2025**	**Audited '31-Dec-2025**
Balance at beginning of the year				
Listed equities		51,149	1,056	1,056
Unlisted equities		-	-	-
		51,149	1,056	1,056
Changes during the year				
Listed equities				
Addition	-	5,826	-	49,763
Fair value gain/(loss)		-	-	330
Subtotal Listed Equities	-	5,826	-	50,093
Unlisted Equities				
Unlisted equities		22,499	22,499	22,499
Fair value gain/(loss)		(22,499)	(22,499)	(22,499)
Subtotal Listed Equities		-	-	-
Balance at end of the year				
Listed equities		45,323	1,056	51,149
Unlisted equities		-	0	-
		45,323	1,056	51,149

(b) Investment securities at amortised cost

Treasury bills	2,890,345	2,517,074	2,889,847
ECL impairment	(3,635)	(16,470)	(3,635)
	2,886,710	2,500,604	2,886,212
Government Bond	516,397	515,966	516,682
Total investment securities	3,448,430	3,017,626	3,454,043
Current	2,932,033	3,017,626	2,937,361
Non-current	516,397	-	516,682
	3,448,430	3,017,626	3,454,043

(c) Movement in impairment allowance

Balance at the beginıng of the year	3,635	16,470	16,470
Impairment loss/(writeback) during the year (see note 12)	-	-	(12,835)
Balance at the end of the period	3,635	16,470	3,635

20 Other assets

In thousands of naira	30-Jun-2026	30-Jun-2025	'31-Dec-2025
Other financial assets:			
Receivable from Cowry Issuing House (see note (c) below)	-	-	-
[Other receivables (see note (c) below)	626,873	30,540	483,211
Impairment allowance (see note (d) below)	(43,411)	(92,706)	(43,411)
	583,462	-62,166	439,800
Non financial assets:			
Prepayments (see note (a) below)	672,718	347,401	242,951
Inventories (see note (b) below)	263,420	599,086	561,809
	936,138	946,487	804,760
	1,519,600	884,320	1,244,561
Current	1,519,600	884,320	1,132,542
Non-current	0	0	112,018
	1,519,600	884,320	1,244,561

(a) Prepayments comprise the following:

	30-Jun-2026	30-Jun-2025	'31-Dec-2025
Prepaid insurance	56,775	51,105	42,963
Prepaid staff benefits	112,018	-	112,018.48
Other prepaid expense (see note (i) below)	503,925	296,296	87,971
	672,718	347,401	242,953

(i) *Other prepaid expense comprise:*

Prepayment of computer maintenance cost	191,080	91,432	28,434
Prepayment of SMS and USSD cost	312,845	204,864	59,537
	503,925	296,296	87,971

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

In thousands of naira	30-Jun-2026	30-Jun-2025	'31-Dec-2025
Stock (see note (i) below)	102,059	118,901	111,103
Assets Work in Progress	161,361	480,185	450,706
Deferred share issue cost	-	-	-
	263,420	599,086	561,809

(i) *The amount in stock comprise:*	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
Stock of cheques	-	335	0
Stock of office stationeries	24,276	22,737	24,542
Stock of micr cheques	26,088	26,104	26,104
Stock of non-micr cheques	25,518	32,446	28,269
Stock of ATM cards	7,180	27	18,599
Stock of credit cards	3,206	31,342	3,591
Stock of adhesive stamps	15,791	5,911	9,997
	102,059	118,901	111,103

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

(d) Movement in impairment allowances:

In thousands of naira	30-Jun-2026	30-Jun-2025	'31-Dec-2025
Balance at the begining of the year	179,529	92,707	136,118
Impairment loss during the year	-	-	43,411
Less write off	-	-	(92,707)
Balance at the end of the year	179,529	92,707	179,529

21 Property and Equipment

In thousands of naira

	Buildings	Freehold Land	Right-of-Use Asset	Furniture and Fittings	Motor Vehicles	Computer Equipment	Office Equipment	Motor Cycle	Total
Cost:									
Balance as at 1 January 2025	510,775	52,118	411,936	276,492	1,103,235	884,255	535,664	-	3,774,475
Additions during the year	5,336	-	82,010	70,300	71,301	357,190	201,238	1,325	788,700
Disposals	-	-	(900)	(928)	(65,065)	(5,867)	-	-	(72,760)
Write-off	-	-	-	-	-	-	(1,231)	-	(1,231)
Balance at 31 Dec 2025	516,111	52,118	493,046	345,864	1,109,471	1,235,578	735,671	1,325	4,489,184
Balance as at 1 January 2026	516,111	52,118	493,046	345,864	1,109,471	1,235,578	735,671	1,325	4,489,184
Additions during the year	16,659	-	-	7,893	95,675	301,270	14,881	-	436,378
Disposals	-	-	-	(830)	(7,620)	-	(9,500)	-	(17,950)
Write-off	-	-	-	-	-	-	-	-	-
Balance at 30 Jun 2026	532,770	52,118	493,046	352,928	1,197,526	1,536,848	741,052	1,325	4,907,612
Accumulated Depreciation:									
Balance as at 1 January 2025	92,465	-	248,176	169,781	574,804	592,801	326,580	-	2,004,607
Charge for the year	9,804	-	58,229	42,185	202,860	217,565	85,340	248	616,231
Disposals	-	-	- 27,527	(928)	(65,065)	(2,872)	-	-	(96,392)
Write-off	(1,603)	-	-	(196)	4,074	3,982	3,369	-	9,626
Balance at 31 Dec 2025	100,666	-	278,878	210,842	716,673	811,475	415,289	248	2,534,071
Balance as at 1 January 2026	100,666	-	278,878	210,842	716,673	811,475	415,289	248	2,534,071
Charge for the year	5,328	-	28,648	24,521	111,786	154,909	54,864	166	380,222
Disposals	-	-	-	(830)	(7,620)	-	(475)	-	(8,925)
Write-off	-	-	-	-	-	-	-	-	-
Balance at 30 Jun 2026	105,994	-	307,526	234,534	820,839	966,353	469,710	414	2,905,370
Carrying amount as at 1 January 2025	418,310	52,118	163,760	106,711	528,431	291,455	209,084	-	1,769,868
Carrying amount: 31 December 2025	415,445	52,118	214,168	135,022	392,799	424,103	320,382	1,077	1,955,112
Carrying amount: 30 June 2026	426,776	52,118	185,521	118,394	376,687	570,495	271,342	911	2,002,242

- There was no impairment loss recognized on any class of property and equipment during the year (31 December 2025: Nil).
- There were no property and equipment pledged as securities for liabilities (31 December 2025: Nil).
- There were no contractual commitments for the acquisition of property and equipment (30 December 2025: 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	30-Jun-2026	30-Jun-2025	'31-Dec-2025
Computer software			
Cost:			
Balance at beginning of the year	377,606	96,062	96,062
Addition during the year	-	-	281,544
Balance at end of the year	377,606	96,062	377,606
Accumulated Amortisation:			
Balance at start of the year	148,800	95,059	95,059
Charge for the year	47,185	261	53,740
Balance at end of the year	195,985	95,321	148,800
Carrying amount at end of the year	181,621	741	228,806

- 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 - continued
FOR THE PERIOD ENDED 30TH JUNE 2026

23 Deposits from customers

In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
Current deposits	17,654,733	20,342,553	24,270,387
Savings deposits	8,739,636	7,721,096	8,109,279
Term deposits	11,959,382	6,456,814	10,109,728
Sundry deposits	385,410	373,947	386,410
	38,739,161	**34,894,410**	**42,875,804**

24 Borrowings

	In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
(a)	Borrowings comprise:			
	CBN concessionary	-	-	-
	DBN concessionary loan (see note (i) below)	2,342,846	327,169	3,079,480
		2,342,846	327,169	3,079,480

(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) 30-Jun-2026	Outstanding Amount (₦'million) 31-Dec-2025	Rate (%)	Tenor
30 October 2025	1,000	750	1,000	23.50	24 Months
6 November 2025	1,000	750	1,000	23.50	24 Months
25 November 2025	1,000	750	1,000	23.50	24 Months
24 April 2026	35	35	-	9.00	12 Months
	3,000	**2,285**	**3,000**		

The Bank has not had any defaults of principal or interest or other breaches with respect to the loan facilities as at the period ended.

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

In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
Balance at 1 January	3,079,480	572,483	572,483
Additions during the year	35,000	-	3,000,000
Interest accrued during the year (see note 9)	307,044	36,150	121,362
Interest paid during the year	(328,678)	(14,464)	(34,865)
Principal repayment during the year	(750,000)	(267,000)	(579,500)
Balance at period end	2,342,846	327,169	3,079,480
Total repayment of borrowings (for cashflow	(1,078,678)	(281,464)	(614,365)

25 Other liabilities

In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
Financial liabilities:			
Accounts payable	8,082	10,034	8,082
Productivity bonus (see note (a))	12,256	12,974	962,256
Sundry creditors (see note (b))	239,236	149,267	278,815
Accruals	823,302	538,831	294,281
Settlement accounts (see note (c))	645,003	1,017,987	2,752,930
Other payables	2,880,261	1,770,671	1,612,343
Unearned income	783	783	783
Deposit for shares	-	-	-
	4,608,923	3,500,547	5,909,490
Lease liability (see note (d))	162,736	97,022	225,363
Non-financial liabilities:			
Withholding tax payable	42,930	137,642	93,635
VAT payable	25,639	40,710	39,581
	4,840,228	3,775,921	6,268,069
Current	4,881,152	3,678,899	6,242,742
Non-current	60,906	97,022	125,345
	4,840,228	3,775,921	6,268,069

(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 provisions and unpaid services for one-off customers 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.

(d) The movement in lease liabilities during the year is as follows:

In thousands of naira	30-Jun-2026	30-Jun-2025	Audited '31-Dec-2025
Balance at 1 January	225,363	101,127	122,263
Addition to lease liabilities	32,778	-	180,585
Interest expense on lease liabilities (see note 9)	14,848	7,965	32,392
Gain on derecognition of lease liability (see note 11)	-	-	-
Interest payment	(8,423)	(9,142)	(9,859)
Principal payment	(101,830)	(66,370)	(100,018)
	162,736	97,022	225,363

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30TH JUNE 2026

26 Share capital

	30-Jun-2026	'31-Dec-2025
Authorised:		
6,000,000,000 units of ordinary shares of 50 kobo each	**3,000,000**	**3,000,000**
Issued and fully paid:		
5,992,954,557 units of ordinary shares of 50 kobo each	**2,996,477**	**2,996,477**

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	**2,996,477**	**2,996,477**

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:

In thousands of naira	30-Jun-2026	'31-Dec-2025
Balance, begininig of the year	4,166,786	4,166,786
Addition to share premium during the year	-	-
Balance at year end	4,166,786	4,166,786

(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

(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 .

In thousands of naira	30-Jun-2026	'31-Dec-2025
Balance, beginning of the year	3,108,727	2,382,331
Transfer to statutory reserve during the year	-	726,396
Balance at year end	3,108,727	3,108,727

(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.

28 Related party transactions

(a) Parent and ultimate controlling party

As at the period ended , 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.