



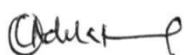
**NPF MICROFINANCE BANK PLC**

**RC. 220824**

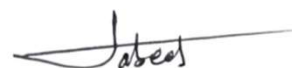
**SECOND QUARTER UNAUDITED MANAGEMENT ACCOUNT  
30 JUNE 2025**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025**

<i>In thousands of naira</i>	<b>Note</b>	<b>30-June-2025</b>	<b>30-June-2024</b>
<b>ASSETS</b>			
Cash and cash equivalents	16	9,822,331	12,411,404
Investment securities	19	3,017,626	1,378,221
Loans and advances to customers	18	36,111,309	22,324,429
Pledged assets	17	1,912,242	1,769,592
Other assets	20	884,320	971,819
Property and equipment	21	1,506,702	1,424,745
Intangible asset	22	741	(809)
<b>TOTAL ASSETS</b>		<b>53,255,269</b>	<b>40,279,401</b>
<b>LIABILITIES</b>			
Deposits from customers	23	34,894,410	22,305,708
Current tax liabilities	15(b)	1,294,734	273,579
Other liabilities	25	3,775,921	2,905,022
Borrowings	24	327,169	1,247,028
Deferred tax liabilities	15(c)	66,642	124,730
<b>TOTAL LIABILITIES</b>		<b>40,358,876</b>	<b>26,856,067</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	26	2,996,477	2,996,477
Share premium	27(a)	4,166,786	4,166,786
Retained earnings	27(b)	3,363,946	4,026,305
Fair value reserve	27(c)	(13,147)	21,288
Statutory reserve	27(d)	2,382,331	1,733,915
Regulatory risk reserve	27(e)	-	478,563
<b>TOTAL EQUITY</b>		<b>12,896,393</b>	<b>13,423,334</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>53,255,269</b>	<b>40,279,401</b>



**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 PERIOD ENDED 30 JUNE 2025

<i>In thousands of naira</i>	<b>Note</b>	<b>Apr-Jun 2025</b>	<b>Apr-Jun 2024</b>	<b>30-June-2025</b>	<b>31-June-2024</b>
Gross earnings		4,721,986	2,804,381	9,226,752	5,551,809
Interest income calculated using the effective interest method	8	4,203,260	2,530,306	8,136,270	5,041,235
Interest expense	9	(312,830)	(257,292)	(610,173)	(534,791)
<b>Net interest income</b>		<b>3,890,430</b>	<b>2,273,014</b>	<b>7,526,097</b>	<b>4,506,444</b>
Fee and commission income*	10	518,099	272,508	1,089,611	508,683
<b>Revenue</b>		<b>4,408,529</b>	<b>2,545,522</b>	<b>8,615,708</b>	<b>5,015,127</b>
Other income*	11	627	1,567	871	1,891
Net impairment loss on financial instruments	12	-	-	(60)	-
Personnel expenses	13	(1,352,751)	(879,296)	(2,523,040)	(1,546,217)
Other operating expenses*	14	(1,477,752)	(1,256,932)	(2,861,883)	(2,204,382)
Depreciation of property and equipment	21	(132,614)	(102,483)	(264,815)	(206,262)
Amortisation of intangible assets	22	(130)	(980)	(261)	(2,856)
<b>Profit before tax</b>		<b>1,445,909</b>	<b>307,398</b>	<b>2,966,520</b>	<b>1,057,301</b>
Income tax expense	15(a)	(486,765)	(76,849)	(1,032,301)	(264,325)
<b>Profit for the period</b>		<b>959,144</b>	<b>230,549</b>	<b>1,934,219</b>	<b>792,976</b>
<b>Other comprehensive loss</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Equity investment at fair value through OCI	19(a)	-	-	-	-
<b>Other comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>959,144</b>	<b>230,549</b>	<b>1,934,219</b>	<b>792,976</b>
Basic and diluted earnings per share (kobo)		<b>16</b>	<b>5</b>	<b>32</b>	<b>13</b>

\*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 30 JUNE 2025

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
<b>Balance at 1 January 2025</b>	2,996,477	4,166,786	2,312,835	(13,147)	2,382,331	-	11,845,282
<b>Total comprehensive income</b>							
Profit for the year	-	-	1,934,219	-	-	-	1,934,219
Audit adjustments			15,835				15,835
<b>Other comprehensive loss</b>							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-	-
Loss on derecognition of equity investments	-	-	-	-	-	-	-
<b>Total other comprehensive loss</b>	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	1,934,219	-	-	-	1,934,219
Transfer to statutory reserve (see note 27(d))	-	-	-	-	-	-	-
Transfer from regulatory risk reserve (see note 6(c)(ii))	-	-	-	-	-	-	-
<b>Contributions by and distributions to equity holders</b>							
Dividend paid (see note 33)	-	-	(898,943)	-	-	-	(898,943)
Increase in share capital	-	-	-	-	-	-	-
<b>Total contributions and distributions</b>	-	-	(898,943)	-	-	-	(898,943)
<b>Balance at 30th June 2025</b>	<b>2,996,477</b>	<b>4,166,786</b>	<b>3,363,946</b>	<b>(13,147)</b>	<b>2,382,331</b>	<b>-</b>	<b>12,896,393</b>

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve	Statutory Reserve	Risk Reserve	Total
<b>Balance at 1 January 2024</b>	2,996,477	4,166,786	1,851,312	(13,147)	1,988,772	-	10,990,200
<b>Total comprehensive income</b>							
Profit for the period	-	-	1,574,237	-	-	-	1,574,237
Audit adjustments	-	-	-	-	-	-	-
<b>Other comprehensive loss</b>							
Fair value reserve (FVOCI equity instruments):							
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-	-
Loss on derecognition of equity investments	-	-	-	-	-	-	-
<b>Total other comprehensive loss</b>	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	1,574,237	-	-	-	1,574,237
Transfer to statutory reserve (see note 27(d))	-	-	(393,559)	-	393,559	-	-
Transfer to regulatory risk reserve (see note 6(c)(ii))	-	-	-	-	-	-	-
<b>Contributions by and distributions to equity holders</b>							
Dividend paid (see note 33)	-	-	(719,155)	-	-	-	(719,155)
Increase in share capital	-	-	-	-	-	-	-
<b>Total contributions and distributions</b>	-	-	(719,155)	-	-	-	(719,155)
<b>Balance at 31 December 2024</b>	<b>2,996,477</b>	<b>4,166,786</b>	<b>2,312,835</b>	<b>(13,147)</b>	<b>2,382,331</b>	<b>-</b>	<b>11,845,282</b>

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

**STATEMENT OF CASH FLOWS**  
FOR THE PERIOD ENDED 30 JUNE 2025

<i>In thousands of naira</i>	<b>Note</b>	<b>30-June-2025</b>	<b>30-June-2024</b>
<b>Cash flows from operating activities</b>			
Profit before tax		2,966,520	1,057,301
<i>Adjustments for:</i>			
Depreciation of property and equipment	21	264,815	206,262
Amortization of intangible assets	22	261	2,856
Net impairment loss on loans and advances to customers	12	60	-
Net impairment loss on pledged assets	12	-	-
Net impairment loss on other assets	12	-	-
Net impairment (gain)/ loss on investment securities	12	-	-
Interest income	8	(8,136,270)	(5,041,235)
Payment of interest on lease liability	25(d)(i)	(9,142)	(2,630)
Interest expense	9	610,173	534,791
Profit on sale of property and equipment	11	(871)	(1,891)
Gain on derecognition of lease liability	11	-	-
		(4,304,454)	(3,244,546)
<i>Changes in:</i>			
- pledged assets	34(b)	828,359	(16,262)
- loans and advances to customers	34(c)	(9,798,863)	(3,032,268)
- other assets	34(d)	(1,104,651)	3,540,783
- deposits from customers	34(e)	(7,180,415)	(4,645,422)
- other liabilities	34(f)	(9,424,451)	(701,317)
		(30,984,475)	(8,099,032)
Interest received	34(h)	10,226,831	5,054,381
Interest paid*	34(i)	(1,242,801)	(529,478)
Tax paid	15(b)	(595,910)	(930,968)
VAT paid	25	(40,710)	(21,605)
<b>Net cash generated/ (used in) from operating activities</b>		<b>(22,637,065)</b>	<b>(4,526,702)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	34(a)(ii)	(4,439)	(107,899)
Acquisition of intangible assets	22	-	-
Payment for new leased properties*	34(j)	-	145,438
Proceeds from disposal of property and equipment	34(a)(i)	871	10,044
Dividends received	11	-	-
<b>Net cash flows used in investing activities</b>		<b>(3,568)</b>	<b>47,583</b>
<b>Cash flows from financing activities</b>			
Repayment of principal on borrowings	24(b)	(267,000)	(615,000)
Repayment of interest on borrowings	24(b)	(14,464)	(179,434)
Payment of principal on lease liability	25(d)(i)	(66,370)	(49,261)
Additions to borrowings	24(b)	-	-
Dividend paid	33	(898,943)	-
Proceeds from increase in share capital	26	-	-
Addition to share premium	27(a)	-	-
<b>Net cash (used in)/ generated from financing activities</b>		<b>(1,246,777)</b>	<b>(843,695)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(23,887,410)</b>	<b>(5,322,814)</b>
Cash and cash equivalents as at 1 January		33,786,623	17,735,812
<b>Cash and cash equivalents as at 28 March</b>	16	<b>9,899,212</b>	<b>12,412,998</b>

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2025**

**8 Interest income**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Loans and advances	6,446,370	4,518,862	6,505,107	10,007,858
Government Securities	12,514	39,422.00	51,218	78,797
Treasury bills	351,206	94,399	172,968	266,156
Call accounts	1,326,180	388,552	767,731	1,042,145
Pledged assets	-	-	-	-
Money market placement	-	-	-	79,115.00
<b>Total interest income calculated using the effective interest method</b>	<b>8,136,270</b>	<b>5,041,235</b>	<b>7,497,024</b>	<b>11,474,071</b>

**9 Interest expense**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Term deposits	495,959	474,801	569,829	740,417
Current deposits	40,460	28,182	45,579	52,554
Savings deposits	29,639	25,029	30,793	54,574
Borrowings (see note 24(b))	36,150	0	7,547	232,972
Lease liabilities (see note 25(c))	7,965	6,779	11,035	20,144
<b>Total interest expense</b>	<b>610,173</b>	<b>534,791</b>	<b>664,783</b>	<b>1,100,661</b>

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>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Credit-related fees and commission	688,334	328,649	548,851	843,383
Deposit-related fees and commission	401,277	180,034	409,107	621,530
	<b>1,089,611</b>	<b>508,683</b>	<b>957,957</b>	<b>1,464,913</b>

**(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.

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Loan management fee	191,629	105,156	163,637	251,157
Loan commitment fee	271,455	145,760	240,892	370,687
Insurance fee	197,297	66,993	125,143	192,031
Credit search fee	27,953	10,740	19,180	29,508
	<b>688,334</b>	<b>328,649</b>	<b>548,851</b>	<b>843,383</b>
Admin and management fee	219,476	59,161	169,721	261,248
Account maintenance fee	107,129	76,766	111,197	171,072
Service fees and charges (see (iii) below)***	74,672	44,107	128,190	189,210
	<b>401,277</b>	<b>180,034</b>	<b>409,107</b>	<b>621,530</b>
	<b>1,089,611</b>	<b>508,683</b>	<b>957,957</b>	<b>1,464,913</b>

\*\*\* 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 30 JUNE 2025

**(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>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Profit on disposal of property and equipment	871	1,891	5,406	9,010
Dividend income	-	-	-	245.00
	<u>871</u>	<u>1,891</u>	<u>5,406</u>	<u>9,255</u>

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

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Impairment loss on loans and advances to customers (see note 18(c))	60	-	50,000.00	(54,089)
Impairment loss/(write-back) on investment securities at amortised cost	-	-	-	16,390
Impairment loss on other assets (see note 20(e))	-	-	-	-
Impairment loss on cash and cash equivalent (see note 16(b))	-	-	-	13,404
Impairment loss on pledged assets (see note 17(b))	-	-	-	87,593
	<u>60</u>	<u>-</u>	<u>50,000</u>	<u>63,298</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2025**

**13 Personnel expenses**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted '30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Wages and salaries	2,307,788	1,484,949	2,456,150	4,421,225
Post-employment benefits:				
Defined contribution plan - pension cost	93,420	61,268	100,896	145,357
NSITF	6,680	0	14,542	-
Gratuity	115,149	-	-	-
	<u>2,523,038</u>	<u>1,546,217</u>	<u>2,571,588</u>	<u>4,566,582</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2025**

**14 Other operating expenses**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Budgeted 30-June-2025</b>	<b>Audited 31-Dec-2024</b>
Repairs and maintenance cost	440,634	266,958	296,322	534,415
Vehicle and generator running cost	181,264	202,565	229,463	379,277
Office expenses	148,817	134,859	187,001	297,146
Computer expenses	666,157	323,107	670,165	884,637
Travel expenses	51,100	77,996	113,577	190,394
AGM expenses	44,522	11,465	43,232	50,977
Year-end expenses	245,918	141,421	213,969	353,468
Directors' remuneration	437,446	421,324	367,897	564,585
Bank charges	17,502	14,720	19,406	32,086
Marketing/publicity expenses	288,768	182,186	222,558	374,772
Professional fees	103,688	83,245	92,067	68,879
Subscription fees	8,367	8,822	8,028	13,270
Charges and levies	63,420	63,025	74,938	136,885
Insurance cost	56,265	39,047	55,817	83,177
NDIC premium	0	72,637	43,946	72,637
Electricity expenses	52,249	29,320	37,561	62,084
Recruitment expenses	3,254	58,172	30,397	58,507
Legal expenses	5,605	2,366	20,049	20,699
SMS alerts	19,388	40,434	36,820	60,859
Rent and rates	1,443.00	-	-	(1.00)
Audit fees ( <i>see note (i) below</i> )	19,348	16,994	27,412	48,375
Corporate social responsibility	450	-	6,194	1,000.00
Donations	4,323	5,341	5,212	8,615
Loan recovery expenses	1,542	4	15	24
Fines/penalty	0	3,514	-	8,893
Stamp duties	60	106	77	126
Bad debts written off	-	-	-	983
Share listing expenses	323	4,734	22,280	5,561
Fraud, forgery and theft	30	20	97	160
	<b>2,861,883</b>	<b>2,204,382</b>	<b>2,824,496</b>	<b>4,312,490</b>

(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>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
<b>(a) Amounts recognized in profit or loss</b>			
<b><i>Current tax expense</i></b>			
Company income tax	901,364	264,325	727,456
Education tax	93,707	-	91,040
National Information Technology Development Agency (NITDA) levy	29,665	-	24,375
Nigeria Police Trust Fund (NPTF) levy	148	-	122
National Agency for Science and Engineering Infrastructure (NASENI) levy	7,417	-	6,094
	<b>1,032,301</b>	<b>264,325</b>	<b>849,087</b>
<b><i>Deferred tax expense</i></b>			
Origination and reversal of temporary differences (see note (c))	-	-	14,175
<b><i>Tax expense</i></b>	<b>1,032,301</b>	<b>264,325</b>	<b>863,262</b>
<b>(b) Movement in current tax liabilities</b>			
Balance at 1 January	858,343	940,222	676,470
Income tax expense (see note (a) above)	1,032,301	264,325	849,087
Tax paid	(595,910)	(930,968)	(667,214)
Balance at 30 June	<b>1,294,734</b>	<b>273,579</b>	<b>858,343</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2025**

**(c) Movement in deferred tax balances**

**31 May 2025**

	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 30 April
<i>In thousands of naira</i>				
Property and equipment	308,932	-	-	308,932
Impairment allowance	(288,507)	-	-	(288,507)
Others	46,213	-	-	46,213
<b>Deferred tax liabilities</b>	<b>66,642</b>	<b>-</b>	<b>-</b>	<b>66,638</b>

**31 December 2024**

	Balance at 1 January	Recognized in profit or loss (see (a))	Recognized in OCI	Balance at 31 December
<i>In thousands of naira</i>				
Property and equipment	235,908	73,024	-	308,932
Impairment allowance	(229,658)	(58,849)	-	(288,507)
Others	46,213	-	-	46,213
<b>Deferred tax liabilities</b>	<b>52,463</b>	<b>14,175</b>	<b>-</b>	<b>66,638</b>

**Deferred tax liabilities**

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

	30-June-2025		31-Dec-2024	
<i>In thousands of naira</i>	Gross amount	Tax effect	Gross amount	Tax effect
Property and equipment	1,370,838	308,932	1,606,107	308,932
Impairment allowance	(223,727)	(288,507)	(223,727)	(288,507)
Others	39,584	46,213	42,501	46,213
	<b>1,186,694</b>	<b>66,638</b>	<b>1,424,881</b>	<b>66,638</b>

**(d) Reconciliation of effective tax rate**

*In thousands of naira*

	30-June-2025		31-Dec-2024	
	%	2,966,520	%	2,437,499
Profit before tax	44	901,364	30	731,250
Tax using the Bank's domestic tax rate	0	-	0	10,381
Non-deductible expenses	0	-	0	-
Tax-exempt items	3	93,707	4	91,040
Tertiary Education Tax	1	29,665	1	24,375
NITDA Levy	0	148	0	122
Nigeria Police Trust Fund (NPTF) levy	0	7,417	0	6,094
NASENI Levy	48	<b>1,032,301</b>	35	<b>863,262</b>

**16 Cash and cash equivalents**

	30-June-2025	30-June-2024	Audited 31-Dec-2024
<i>In thousands of naira</i>			
(a) Cash and cash equivalent comprise:			
<b>Cash on hand:</b>			
Cash on hand	145,525	126,348	112,183
<b>Held-to-maturity Treasury Bills:</b>			
Treasury Bills	60,607	94,790	60,607
	<b>206,132</b>	<b>221,138</b>	<b>172,790</b>
<b>Deposits with banks:</b>			
Current account balances with other banks	1,245,878	4,848,404	19,781,210
Money market placements	8,447,202	7,343,456	13,960,742
	<b>9,899,212</b>	<b>12,412,998</b>	<b>33,914,742</b>
<b>Cash and cash equivalents for cash flow purposes:</b>			
Impairment allowance (see note (b))	(76,881)	1,594	(76,881)
<b>Cash and cash equivalents</b>	<b>9,822,331</b>	<b>12,411,404</b>	<b>33,837,861</b>

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(b) Movement in impairment allowance:

Balance at 1 January	76,881	1,594	63,477
Impairment loss (see note 12)	-	-	13,404
	<u>76,881</u>	<u>1,594</u>	<u>76,881</u>

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>			<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
<b><i>Underlying transaction</i></b>	<b><i>Counterparty</i></b>	<b><i>Asset description</i></b>			
DBN concessionary loan	Development Bank of Nigeri	Treasury Bills	775,889	540,250	696,600
NIBSS Platform	First Bank of Nigeria Plc	Fixed placement	-	225,203	0
NIBSS Platform	Zenith Bank Plc	Fixed placement	1,224,430	0	1,124,618
NIBSS Platform	Zenith Bank Plc	Fixed placement	0	1,000,000	1,002,319
ATM Transactions	Sterling Bank Plc	Call placement	20,000	20,000	20,000
NIBSS Platform	First Bank of Nigeria Plc	Fixed placement	-	-	-
			<u>2,020,319</u>	<u>1,785,453</u>	<u>2,843,537</u>
Impairment allowance (see note (b) below)			<u>(108,077)</u>	<u>(15,861)</u>	<u>(108,077)</u>
			<u>1,912,242</u>	<u>1,769,592</u>	<u>2,735,460</u>
Current			1,912,242	1,769,592	2,735,460
Non-current			-	-	-
			<u>1,912,242</u>	<u>1,769,592</u>	<u>2,735,460</u>

(b) Movement in impairment allowance:

Balance at 1 January	108,077	15,861	20,484
Impairment loss (see note 12)	-	-	87,593
	<u>108,077</u>	<u>15,861</u>	<u>108,077</u>

**18 Loans and advances to customers**

<i>In thousands of naira</i>			<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
(a) Loans and advances to customers comprise:					
Loan and advances to customers at amortised cost			36,111,309	22,324,429	25,528,160
			<u>36,111,309</u>	<u>22,324,429</u>	<u>25,528,160</u>
Current			30,430,820	16,053,349	21,525,046
Non-current			5,680,489	6,271,080	4,003,114
			<u>36,111,309</u>	<u>22,324,429</u>	<u>25,528,160</u>

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

<i>In thousands of naira</i>	<b>30 June 2025</b>			<b>31 December 2024</b>		
	<b>Amount</b>	<b>Allowance</b>	<b>Amount</b>	<b>Amount</b>	<b>ECL Allowance</b>	<b>Amount</b>
Term loans	32,779,129	(241,459)	32,537,670	25,917,528	(253,862)	25,663,666
Overdrafts	4,499,600	(925,961)	3,573,639	1,002,743	(1,138,249)	(135,506)
	<u>37,278,729</u>	<u>(1,167,420)</u>	<u>36,111,309</u>	<u>26,920,271</u>	<u>(1,392,111)</u>	<u>25,528,160</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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(c) Movement in allowances for impairment

	30 June 2025				31 December 2024			
<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	731,412	4,175	656,524	1,392,111	568,931	17,467	859,802	1,446,200
Additional allowance during the year (see note 12)	60	-	-	60	162,481	(13,292)	(203,278)	(54,089)
Writeback/(writeoffs) during the year	(224,751)	-	-	(224,751)	-	-	-	-
Balance at the end of the year	506,721	4,175	656,524	1,167,420	731,412	4,175	656,524	1,392,111

0

**19 Investment securities**

Investment securities comprise:

**(a) Investment securities measured at FVTOCI:**

	30-June-2025	30-June-2024	Audited 31-Dec-2024
<i>Equity securities:</i>			
Listed equities	1,056	5,324	1,056
Unlisted equities	-	30,167	-
	1,056	35,491	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 2024 (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:

	30-June-2025	30-June-2024	31-Dec-2024
<b>Balance at beginning of the year</b>			
Listed equities	1,056	5,324	1,056
Unlisted equities	-	30,167	0
	1,056	35,491	1,056
<b>Balance at end of the year</b>			
Listed equities	1,056	5,324	1,056
Unlisted equities	-	30,167	-
	1,056	35,491	1,056
Fair value gain/(loss)	-	-	-
Loss on derecognition of equity investments	-	-	-

**(b) Investment securities at amortised cost**

Treasury bills	2,517,074	842,949	3,383,007
ECL impairment	(16,470)	(219)	(16,470)
	2,500,604	842,730	3,366,537
Government Bond	515,966	500,000	517,110
<b>Total investment securities</b>	3,017,626	1,378,221	3,884,703
<b>Total investment securities for cashflow purpose</b>	2,518,130	878,440	3,384,063
Current	3,017,626	1,378,221	3,884,703
Non-current	-	-	-
	3,017,626	1,378,221	3,884,703

**(c) Movement in impairment allowance**

Balance at the beginning of the year	16,470	219	80
Impairment loss/(writeback) during the year (see note 12)	-	-	16,390
Balance at the end of the period	16,470	219	16,470

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**FOR THE PERIOD ENDED 30 JUNE 2025**

**20 Other assets**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
<i>Other financial assets:</i>			
Other receivables (see note (c) below)	30,540	558,360	772,279
Impairment allowance (see note (d) below)	(92,706)	(156,664)	(92,707)
	<u>(62,166)</u>	<u>401,696</u>	<u>679,572</u>
<i>Non financial assets:</i>			
Prepayments (see note (a) below)	347,401	326,190	72,120
Inventories (see note (b) below)	599,086	243,933	118,867
	<u>946,487</u>	<u>570,123</u>	<u>190,987</u>
	<u>884,320</u>	<u>971,819</u>	<u>870,559</u>
Current	884,320	767,949	870,559
Non-current	0	45,188	0
	<u>884,320</u>	<u>971,819</u>	<u>870,559</u>

(a) Prepayments comprise the following:

	<b>30-Jun-2025</b>	<b>30-Jun-2024</b>	
Prepaid insurance	51,105	32,687	42,825
Prepaid staff benefits	-	45,188	-1
Other prepaid expense (see note (i) below)	296,296	248,315	29,295
	<u>347,401</u>	<u>326,190</u>	<u>72,120</u>

(i) *Other prepaid expense comprise:*

Prepayment of computer maintenance cost	91,432	58,317	22,629
Prepayment of SMS and USSD cost	204,864	189,998	6,666
	<u>296,296</u>	<u>248,315</u>	<u>29,295</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>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>31-Dec-2024</b>
Stock (see note (i) below)	118,901	146,494	129,724
Assets under construction	480,185	97,439	-10,857
Deferred share issue cost	-	-	-
	<u>599,086</u>	<u>243,933</u>	<u>118,867</u>

(i) *The amount in stock comprise:*

	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>31-Dec-2024</b>
Stock of cheques	335	427	396
Stock of office stationeries	22,737	17,287	15,401
Stock of micr cheques	26,104	26,117	26,108
Stock of non-micr cheques	32,446	38,095	35,466
Stock of ATM cards	27	12,904	4,787
Stock of credit cards	31,342	36,055	35,081
Stock of adhesive stamps	5,911	15,609	12,485
	<u>118,901</u>	<u>146,494</u>	<u>129,724</u>

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

(d) Movement in impairment allowances:

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>31-Dec-2024</b>
Balance at the beginning of the year	92,707	156,664	92,707
Impairment loss during the year	-	-	-
Balance at the end of the year	<u>92,707</u>	<u>156,664</u>	<u>92,707</u>

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**FOR THE PERIOD ENDED 30 JUNE 2025**

**21 Property and Equipment**

*In thousands of naira*

	<b>Buildings</b>	<b>Freehold Land</b>	<b>Right-of-Use Asset</b>	<b>Furniture and Fittings</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Cost:</b>								
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	-	-	29,305	30,977	370,746	165,056	102,184	698,268
Disposals	-	-	(12,691)	(1,173)	(89,124)	(6,976)	(27,524)	(137,487)
Write-off	-	-	-	(727)	-	(670)	-	(1,397)
<b>Balance at 31 December 2024</b>	<b>510,775</b>	<b>52,118</b>	<b>411,936</b>	<b>276,493</b>	<b>1,103,235</b>	<b>884,255</b>	<b>535,664</b>	<b>3,774,475</b>
Balance as at 1 January 2025	510,775	52,118	411,936	276,493	1,103,235	884,255	535,664	3,774,475
Additions during the year	-	-	-	-	-	4,439	-	4,439
Disposals	-	-	-	-	-	(5,040)	-	(5,040)
Write-off	-	-	-	-	-	-	-	-
<b>Balance at 31 MAY 2025</b>	<b>510,775</b>	<b>52,118</b>	<b>411,936</b>	<b>276,493</b>	<b>1,103,235</b>	<b>883,654</b>	<b>535,664</b>	<b>3,773,875</b>
<b>Accumulated Depreciation:</b>								
Balance as 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	-	63,644	36,221	136,781	149,752	69,912	466,665
Disposals	-	-	(19,693)	(1,173)	(89,124)	(6,976)	(27,524)	(144,489)
Write-off	-	-	-	(727)	-	(670)	-	(1,397)
<b>Balance at 31 December 2024</b>	<b>92,465</b>	<b>-</b>	<b>248,176</b>	<b>169,781</b>	<b>574,804</b>	<b>592,802</b>	<b>326,580</b>	<b>2,004,608</b>
Balance as at 1 January 2025	92,465	-	248,176	169,781	574,804	592,802	326,580	2,004,608
Charge for the year	5,166	-	27,895	17,717	95,564	83,357	35,116	264,815
Disposals	-	-	-	-	-	(5,040)	-	(5,040)
Write-off	-	-	-	-	-	-	-	-
<b>Balance at 31 MAY 2025</b>	<b>97,631</b>	<b>-</b>	<b>276,071</b>	<b>187,498</b>	<b>670,368</b>	<b>671,119</b>	<b>361,696</b>	<b>2,264,383</b>
Carrying amount as at 1 January 2024	428,665	52,118	191,097	111,955	294,466	276,150	176,812	1,531,263
Carrying amount: 31 December 2024	418,310	52,118	163,760	106,711	528,432	291,454	209,083	1,769,867
Carrying amount: 31 May 2025	413,144	52,118	135,865	88,994	432,867	212,535	173,968	1,506,702

- There was no impairment loss on all classes property and equipment during the year (31 December 2024: Nil).
- There were no property and equipment pledged as securities for liabilities (31 December 2024: Nil).
- There were no contractual commitments for the acquisition of property and equipment (31 December 2024: 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*

	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
Computer software			
<b>Cost:</b>			
Balance at beginning of the year	96,062	96,062	96,062
Addition during the year	-	-	-
<b>Balance at end of the year</b>	<b>96,062</b>	<b>96,062</b>	<b>96,062</b>
<b>Accumulated Amortisation:</b>			
Balance at start of the year	95,059	94,015	94,015
Charge for the year	261	2,856	1,044
<b>Balance at end of the year</b>	<b>95,321</b>	<b>96,871</b>	<b>95,059</b>
<b>Carrying amount at end of the year</b>	<b>741</b>	<b>(809)</b>	<b>1,003</b>

- 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 PERIOD ENDED 30 JUNE 2025**

**23 Deposits from customers**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
Current deposits	20,342,553	10,372,030	27,119,227
Savings deposits	7,721,096	6,347,811	6,917,061
Term deposits	6,456,814	5,181,555	5,575,006
Sundry deposits	373,947	404,312	2,447,961
	<b>34,894,410</b>	<b>22,305,708</b>	<b>42,059,255</b>

**24 Borrowings**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
(a) Borrowings comprise:			
BOI concessionary loan	-	-	-
CBN concessionary	-	-	-
DBN concessionary loan (see note (i) below)	327,169	1,247,028	572,483
CBN housing microfinance loan	-	-	-
	<b>327,169</b>	<b>1,247,028</b>	<b>572,483</b>

- (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.

<b>Date facility was obtained</b>	<b>Amount (₦'million)</b>	<b>Outstanding Amount (₦'million) 30- June-2025</b>	<b>Outstanding Amount (₦'million) 31-Dec-2024</b>	<b>Rate (%)</b>	<b>Tenor</b>
04 August 2023	500	72	187	18.50	2 years
19 September 2023	1,000	255	385	18.50	2 years
	<b>1,500</b>	<b>327</b>	<b>572</b>		

The Bank has not had any defaults of principal or interest or other breaches with respect to the loan facilities as at 31 May 2025.

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

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>31-Dec-2024</b>
Balance, beginning of the year	572,483	2,041,462	2,065,020
Additions during the year	-	-	-
Interest accrued during the year (see note 9)	36,150	-	259,960
Interest paid during the year	(14,464)	(179,434)	(252,496)
Principal repayment during the year	(267,000)	(615,000)	(1,500,000)
Balance at period end	<b>327,169</b>	<b>1,247,028</b>	<b>572,483</b>
Total repayment of borrowings (for cashflow)	<b>(281,464)</b>	<b>(794,434)</b>	<b>(1,752,496)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2025**

**25 Other liabilities**

<i>In thousands of naira</i>	<b>30-June-2025</b>	<b>30-June-2024</b>	<b>Audited 31-Dec-2024</b>
<i>Financial liabilities:</i>			
Accounts payable	10,034	6,888	5,845
Productivity bonus (see note (a))	12,974	5,266	902,116
Sundry creditors (see note (b))	149,267	249,748	241,844
Accruals	538,831	99,128	341,721
Settlement accounts (see note (c))	1,017,987	1,446,343	10,980,290
Other payables	1,770,671	916,075	534,342
Unearned income	783.00	783	783
Deposit for shares	-	1,298	388
	<u>3,500,547</u>	<u>2,725,529</u>	<u>13,007,329</u>
Lease liability (see note (d))	97,022	98,762	122,262
<i>Non-financial liabilities:</i>			
Withholding tax payable	137,642	59,126	78,532
VAT payable	40,710	21,605	17,489
	<u>3,775,921</u>	<u>2,905,022</u>	<u>13,225,612</u>
Current	3,678,899	2,451,813	13,103,350
Non-current	97,022	137,506	122,262
	<u>3,775,921</u>	<u>2,905,022</u>	<u>13,225,612</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.