

NPF MICROFINANCE BANK PLC.

SUSTAINABILITY REPORT 2024

“Exploring investment opportunities that prioritize ESG factors ”

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About this Report

— Year In Review

The NPFMFB Sustainability Report provides disclosures on the environmental, social, and governance (ESG) performance of the Bank and the business achievements accompanied by our significant measures towards building a disruptive Sustainable bank in line with best practice. With our theme (“*Exploring investment opportunities that prioritize ESG factors*”).

Our determination and efforts channeled at making better investment decisions and tackling global ESG risks and climate change issues have led us to attain several milestones, which we have disclosed in this sustainability report covering 1st of January, 2024, to 31st of December, 2024. In preparing this report, core options of the Global Reporting Initiative (GRI) Standards were followed, and reference was made to additional sustainability standards and guidelines that promote sustainable business practices on a national level). In addition to pursuing our vision “To be the clear leader in integrating sustainability into microfinance services, while inspiring a new era of responsible and impactful financial solutions”, the report highlights the efforts we made during the reporting year to build a more resilient, inclusive, and sustainable business to fulfill the needs of our clients. It illustrates our impact, holistically, on the economy, the environment, and society in 2024.

The aim is to measure our environmental and social footprints to determine the extent to which they contribute towards the attainment of the SDGs.

With this initiative, our SDG footprints are now better documented, measured, monitored and reported

It also highlights the different stakeholders’ engagement platforms that we deployed, the material issues that emerged from these engagements and how they were managed and or addressed during the year.

Coverage

This report covers the Sustainability/ESG principles, initiatives and performance of our operations across key markets. It contains information for the financial year 1st of January, 2024, to 31st of December, 2024 unless otherwise stated.

The report also demonstrates how we complied with integrating the Nigerian Sustainable Banking Principles, established by the Central Bank of Nigeria in 2012, and also the Sustainability Disclosure Guidelines of the Nigerian Exchange Group which was approved 9th of November 2018.

OUR SUSTAINABILITY STRATEGY

At NPF Microfinance Bank Plc, we believe that sustainability is the foundation of our long-term growth and profitability. Not only is it an integral part of our overall business strategy, but it is also the right thing to do. It is the right thing for our customers, suppliers, shareholders, communities and our staff as core members of the Bank. The Bank will continue to drive its sustainability initiatives with a focus on promoting responsible business practices, environmental quality, social justice, and creating shared value for our stakeholders.

Our sustainability initiatives are aligned with the Sustainable Development Goals, (SDGs), the Nigerian Sustainable Banking Principles (NSBPs), and the principles of Sustainability Disclosure Guidelines of the Nigerian Exchange Group.

FEW WORDS ABOUT US

NPF Microfinance Bank (formerly NPF Community Bank Ltd) was incorporated on 19th May 1993 as a Limited Liability Company under the Companies and Allied Matters Act Cap C20LFN 2014. The Bank provides Banking services to both Serving and Retired Officers and Men of the Nigeria Police Force, its ancillary institutions and the general public. It was registered as a Public Limited Liability Company on 13th July 2006.

The Bank commenced business on 20th August 1993 at 1 Ikoyi Road, Obalende Lagos having obtained a provisional License to operate as a community Bank on July 12, 1993 from the Central Bank of Nigeria. It later obtained its full licence to operate as a Community Bank on 24th January 2002. On 31st December 2007, the Bank converted from its Community Bank status to a National Microfinance Bank following the directive of the Central Bank of Nigeria to all Community Banks.

The authorized share capital of the Bank at inception was ₦500,000 made of 500,000 ordinary shares of ₦1.00 each and this has increased over the years to its current level of ₦3,000,000,000 made up of 6,000,000,000 ordinary shares of 50k each out of which 5,992,954,557 ordinary shares of 50k each are issued and fully paid up. The shares of the Bank were listed on the floor of the Nigerian Stock Exchange on 1st December 2010 and the bank has been consistent in the payment of dividend to its shareholders for 22 years.

Over the years, the Bank has emerged as one of the leading Microfinance Bank providing a wide range of products and services to its esteemed customers and the general public. Some of the services includes; Current Accounts, Savings Accounts, Loans and Advances, Money Market Services, Financial Advisory Services, leveraging on our Electronic Banking Platforms (USSD, Internet Banking and Mobile Banking Application and Point of Sale Services).

The Bank attained the Corporate Governance Rating System Certification of the Nigerian Exchange Limited (NGX) in year 2018 hence amongst its peers; the Bank is rated high on sound corporate governance, transparency and stable management. As a result of such consistent performance, institutions such as CBN, BOI and DBN partner with the Bank by providing developmental funds to it for lending to customers as a way of deepening financial inclusion in the Country

Presently, the Bank has 49 branch offices located all over the Federation.

Sustainability Mission Statement

"Integrating sustainable strategies into our microfinance offerings to build resilient communities, protect the environment, and create wealth for stakeholders."

Sustainability Vision Statement

"To be the clear leader in integrating sustainability into microfinance services, while inspiring a new era of responsible and impactful financial solutions."

Corporate Information

DIRECTORS, OFFICERS & PROFESSIONAL ADVISERS



Directors:	Mr. Damilola Samuel Adegbuyi*	Chairman
	Mr. Habeeb Amuda Yusuf **	Managing Director
	Mr. John Kwabe Tizhe	Executive Director
	Mrs. Olamide Mojisola Akin- Balogun***	Executive Director
	Mr. Said Umar Fagge	Non-Executive Director
	Mr. Oyeyemi Adesoye Oyediran psc, fsi****	Non-Executive Director
	Mrs. Lydia Ameh Enemona*****	Non-Executive Director
	Mr. Idrisu Dabban Dauda psc, fdc, mnim *****	Non-Executive Director
	Mr. Mutalib Atanda Akinlade, MBA, FCA*****	Non-Executive (Independent) Director
	Mr. Adujo Friday Abah Esq.*****	Non-Executive (Independent) Director
	Barr. Felix Sunday Chukwurah *****	Non-Executive Director

*Appointed on the 1 February 2024 and made Chairman of the Board on 13 June 2024

** Appointed Managing Director on 13 June 2024

***Appointed Executive Director Finance & Administration on 1 February 2024

****Appointed on 26 September 2023 to replace Mr. Bello Makwashi

*****Appointed on 26 September 2023 to replace Mr. Uzairu Abdulahi

*****Appointed on 1 February 2024

*****Appointed on 1 February 2024

*****Appointed on 1 February 2024

*****Appointed on 19 July 2024

Company Secretary: Mrs. Osaro J. Idemudia
Aliyu Atta House
1, Ikoyi Road, Obalende
Lagos

Registered Office: Aliyu Atta House
1, Ikoyi Road, Obalende
Lagos

Independent Auditor: Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadawe Avenue,
Victoria Island,
Lagos, Nigeria.

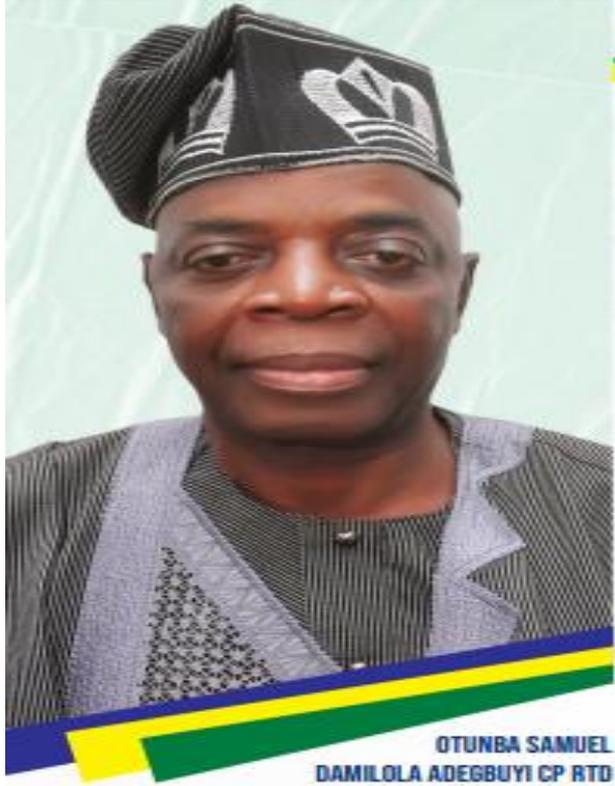
Major Bankers:

United Bank for Africa Plc 57 Marina, Lagos Island, Lagos, Nigeria.	Zenith Bank Plc Plot 84, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria.
Sterling Bank Plc 20 Marina Road, Lagos Island, Lagos.	First Bank of Nigeria Plc Samuel Asabia House 35 Marina Lagos, Nigeria.

Registrars: CardinalStone Registrars Limited
335/337, Herbert Macaulay Way
Yaba, Lagos

Tax Identification Number 00122558-0001

Chairman 's Statement



Distinguished Shareholders, Esteemed Members of the Board of Directors, Ladies, and Gentlemen,

It is my honour and privilege to present to you the 2024 Sustainability Report of NPF Microfinance Bank Plc. This annual report reflects our unwavering commitment to sustainable development, corporate responsibility, and long-term value creation for our stakeholders.

The theme for this year's report, "Exploring Investment Opportunities that Prioritize ESG Factors," speaks directly to our evolving strategy as we embed Environmental, Social, and Governance (ESG) considerations into every aspect of our decision-making. In a rapidly changing economic and environmental landscape, we recognize that sustainable finance is no longer optional—it is foundational to our future relevance and impact.

Operating Environment

The global economy in 2024 was characterized by continued geopolitical instability, with conflicts in Eastern Europe and the Middle East heightening economic uncertainty. Domestically, Nigeria faced considerable macroeconomic challenges. The lingering impact of fuel subsidy removal, naira depreciation, inflationary pressures, and monetary tightening created a difficult operating environment. Yet amidst these constraints, NPF Microfinance Bank stood resilient. Despite these headwinds, we remained focused on our purpose—providing inclusive financial services that support underserved communities, while steering our operations in a more sustainable direction.

ESG-Aligned Strategy and Investments

In line with our sustainability theme, we took strategic steps in exploring and investing in areas that align with ESG principles:

- We expanded our use of renewable energy, with more of our branches operating on solar power, reducing our carbon footprint and dependence on fossil fuels.
- Our facilities saw enhanced energy and water efficiency through smart resource management systems, in alignment with the Nigerian Sustainable Banking Principles (NSBP).
- We implemented waste reduction and recycling practices across branches, contributing to environmental responsibility.
- On the investment front, our lending increasingly supports eco-friendly SMEs, agriculture, and social enterprises that align with long-term impact goals.

These efforts are driven not only by compliance but by a conscious choice to direct capital where it drives meaningful social and environmental outcomes alongside financial returns.

Chairman's Statement...



Social Impact and Inclusion

At the heart of our sustainability journey is our unwavering commitment to people—our employees, customers, and the communities we serve. In 2024, we:

- Delivered financial literacy programs to women, youth, and small-scale entrepreneurs across Nigeria, improving their ability to make informed financial decisions.
- Enhanced our digital banking platforms, ensuring financial inclusion reaches the unbanked and underbanked, especially in rural and security-prone areas.
- Strengthened our employee value proposition with better workplace diversity, equity, mental health awareness, and professional development initiatives.

We also deepened our internal culture of responsibility and ethics, recognizing that sustainability begins within.

Governance and Risk Oversight

Strong governance is central to sustainable business. In 2024, we continued to strengthen our governance structures and risk frameworks, ensuring transparency, accountability, and regulatory compliance.

Our Board maintained rigorous oversight of sustainability priorities and risk exposures. Furthermore, we enhanced our internal sustainability reporting, aligning key disclosures with international ESG standards and the Sustainable Development Goals (SDGs). Our stakeholder engagement efforts were also expanded, allowing us to integrate valuable feedback into our strategy.

Financial Sustainability and Future Outlook

Despite economic volatility, the Bank recorded strong financial performance in 2024, a testament to our adaptive strategy and efficient capital management. Our expanding loan portfolio, combined with responsible treasury operations, helped deliver improved profitability. This financial success provides the foundation to continue scaling ESG-aligned initiatives and delivering long-term value to our shareholders.

Looking ahead, we are optimistic. We will continue investing in areas that align with ESG priorities—green finance, digital inclusion, and sustainable agriculture. We are committed to maintaining a leadership role in embedding ESG into microfinance banking and working with stakeholders to advance a greener, more inclusive financial system.

Appreciation

I would like to express my heartfelt appreciation to our valued shareholders, loyal customers, and dedicated employees for your unwavering trust and commitment. To my colleagues on the Board and Executive Management, thank you for your strategic leadership and dedication to the Bank's vision. Together, we will continue to build a stronger and more sustainable future that delivers value not just today, but for generations to come.

Thank you and my regards always, Please.

Otunba Samuel Damilola Adegbuyi (CP Rtd)
Chairman, Board of Directors

Managing Director's Statement



Distinguished Stakeholders,

As the Managing Director of the Bank, It is my honor to present the 5th edition of our Sustainability Report. This year, we are proud to align our operations with the theme, “Exploring Investment Opportunities that Prioritize ESG Factors.” At NPF Microfinance Bank Plc, sustainability is not just a goal but an ongoing journey that shapes our business practices, decisions, and contributions to society.

Our focus on Environmental, Social, and Governance (ESG) factors emphasizes our commitment to creating long-term value while addressing the pressing challenges of our time. As a financial institution, we believe our impact goes beyond profit; it extends to how we support our employees, customers, communities and the environment. In addition to meeting regulatory requirements, we understand the importance of sustainability reporting to our stakeholders.

Many of our stakeholders are increasingly concerned about issues such a climate change, resource scarcity and human rights. They want to know how we are prioritizing them as well as making tangible efforts at addressing them. In line with global best practice in sustainability reporting, we adopted the Global Reporting Initiative (GRI) as our model.

Governance: Upholding Integrity and Trust

Our Corporate governance practices including our policies and procedures for ensuring fairness, ethics and integrity in our business operations we adopted our ESG Framework to guide and govern our sustainability implementation. We also disclose any legal and regulatory compliance issues as well as efforts at improving our governance practices

The strength of our governance structures lies in our ability to ensure accountability, transparency and ethical leadership. This year, we further enhanced our whistleblowing framework to raise a culture of openness and protect those who speak up against misconduct. In addition, we strengthened our compliance measures to address Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT), ensuring we operate with the highest level of integrity. The bank has in place a compliant management policy and channels provided for customers feedback; ccare@npfmicrofinancebankplc.ng and a Toll free line: 08008008008.

We also made significant progress in strengthening cybersecurity. By investing in advanced technology, we have not only safeguarded our operations but also demonstrated our commitment to protecting our customers' trust in an increasingly digital world.

Social Responsibility: Empowering Our Workforce and Communities

Our employees are the bedrock of our success, and their welfare remains a priority. Furthermore, our robust training programs have empowered employees with the skills and knowledge to excel in their roles and contribute to our shared goals.

Managing Director's Statement Cont.

Beyond our organization, we have deepened our engagement with the communities we serve. Through visits to orphanage homes and Internally Displaced Persons (IDP) camp, we provided essential support and raised hope among vulnerable populations. Our operations this year extended beyond banking as we sought to empower hardworking individuals and families in underserved communities. We brought our services to Gegeri village along Argungu in Kebbi State, providing financial empowerment to enable local economic growth. Additionally, we celebrated culture and community by supporting the people of Erinja in Ogun State during the Erinja Day Festival as well as the people of Ifaki during Ifaki Day in Ekiti State.

Education remains a cornerstone of societal development, The Bank Sponsored the School Leadership Academy Workshop hosted by Opportunity International Edu finance. This event reinforced our commitment to enhancing educational systems and empowering future generations.

We also prioritized inclusivity by supporting the Stakeholders Engagement on Digital Financial Inclusion for Persons with Disabilities, organized by the Consumer Advocacy and Empowerment Foundation in collaboration with Consumers International. This aligns with our goal to ensure that no one is left behind in accessing financial services.

Collaborations and Health Initiatives

Collaboration is at the heart of our sustainability strategy. This year, we partnered with Rotary Club Falomo to empower women through various initiatives, including wellness checks for women. By addressing health and financial independence, we are contributing to the holistic empowerment of women, which is essential for community development.

These initiatives reinforce our belief in being a catalyst for positive change.

Economic and Operational Sustainability: Driving Innovation and Growth

In 2024, we prioritized investments that align with ESG principles, ensuring that our growth strategy balances profitability with sustainability. Our investment in technology infrastructure has streamlined operations, improved service delivery.

We remain committed to delivering value to our stakeholders. The consistent payment of dividends reflects our ability to drive financial performance while staying true to our sustainability commitments.

Environmental Responsibility: Supporting a Greener Future

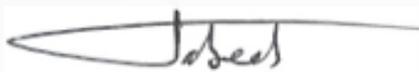
As we transition to more sustainable practices, we recognize the importance of reducing the impact of carbon monoxide on our environmental. Through the adoption of digital platforms, promoting paperless processes, waste management practice in the Bank, use of LED lights in all our branches and head Office, renewable energy like solar energy is used by the bank.

We are not only enhancing efficiency but also contributing to a more sustainable future by minimizing resource consumption and reduced our environmental footprint by promoting paperless processes.

Looking Ahead

As Managing Director, I am deeply committed to embedding ESG considerations into every aspect of our operations. This is not just about meeting regulatory expectations but about ensuring that we leave a positive legacy for future generations.

I am grateful to our Board of Directors for their visionary leadership, our employees for their solid dedication, and our stakeholders for their continued trust and support. Together, we will continue to explore innovative investment opportunities, prioritize ESG factors, and drive sustainable value creation.



Habib A. Yusuf
Managing Director

Chairman Sustainability Committee



Dear Stakeholder,

As we reflect on the strides made in 2024, it gives me great pride to share the Sustainability Committee’s perspective on the theme: “Exploring Investment Opportunities that Prioritize ESG Factors.” This theme not only echoes global best practices but also reinforces NPF Microfinance Bank PLC’s commitment to responsible banking and inclusive development.

In an era where financial institutions are expected to be catalysts for sustainable change, we at NPF MFB have embraced ESG—Environmental, Social, and Governance—factors as essential pillars of our corporate strategy. Our investment decisions are increasingly guided by the need to foster environmental stewardship, promote social equity, and uphold sound governance.

Throughout 2024, we expanded our portfolio to include projects and initiatives that align with ESG goals. These include investments in renewable energy-powered micro-businesses, financial products tailored to underserved communities, and the integration of stronger compliance and governance frameworks across our operations. We also advanced our internal sustainability culture, embedding ESG awareness across all levels of the bank.

As a Microfinance Bank, we recognize that sustainable finance is more than a trend—it is a responsibility. By channeling investments into ventures that drive positive environmental and social outcomes while maintaining strong governance standards, we are not only safeguarding the future but also enhancing long-term value for our stakeholders.

Looking ahead, our vision is clear: to remain a leader in sustainable microfinance by proactively identifying opportunities that support Nigeria’s development priorities and global sustainability benchmarks. We are committed to building a resilient institution that contributes meaningfully to the prosperity of the communities we serve.

On behalf of the Sustainability Committee, I thank all our partners, stakeholders, and employees for their unwavering support and shared commitment to a sustainable future.

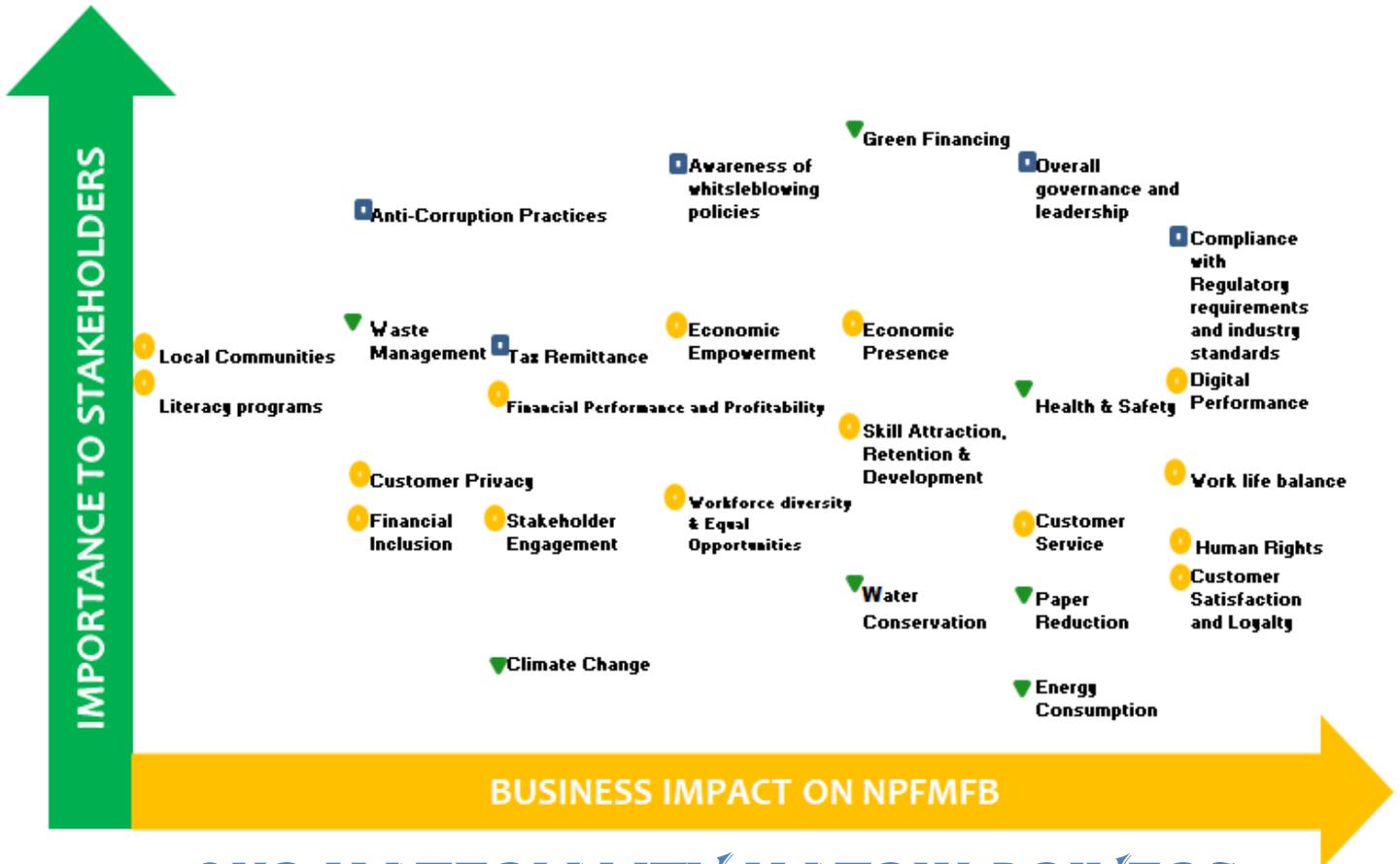
A handwritten signature in black ink, appearing to read "Isaac Jackson", written over a light blue background.

Isaac Jackson
Chairman, Sustainability Committee
NPF Microfinance Bank Plc.



Materiality Assessment

NPF Microfinance bank Plc. recognizes the importance of material sustainability issues and utilizes a systematic approach to identify those factors that are most relevant to our internal and external stakeholders. We conduct an annual materiality assessment to review and realign material issues. This process facilitates the identification and prioritization of Environmental, Social, and Governance (ESG) issues that significantly impact the bank and are of utmost importance to our stakeholders. In this reporting period, our approach involved a comprehensive stakeholder engagement process, utilizing a survey to ascertain key ESG issues of importance. The data derived from this materiality assessment was then analyzed, and the materiality matrix is presented below.



OUR MATERIALITY MATRIX DRIVERS

 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
<ul style="list-style-type: none"> • Energy Consumption • Waste Management • Climate Change • Health & Safety • Paper Reduction • Water Conservation • Green Financing 	<ul style="list-style-type: none"> • Customer Privacy • Customer Service • Customer Satisfaction And Loyalty • Local Communities • Skill Attraction, Retention And Development • Stakeholder Engagement • Economic Presence • Financial Performance And Profitability • Workforce Diversity & equal opportunities • Work Life Balance • Literacy Programs • Human Rights • Digital Performance • Financial Inclusion • Economic Empowerment 	<ul style="list-style-type: none"> • Overall Governance And Leadership • Compliance With Regulatory Requirements And Industry Standards • Anti-Corruption Practices • Tax Remittance • Awareness Of Whistleblowing Policies

Stakeholder Engagement

As a goal driven bank we understand the critical role and value that stakeholder engagement plays in determining our sustainability objectives and achieving positive impact. Therefore, NPF Microfinance Bank Plc is geared towards ensuring that sustainability is a fundamental part of all of our activities for both internal and external stakeholders. In order to better understand their needs and our part in building a more sustainable future we engage with stakeholders through a variety of channels as seen in the table below.

STAKEHOLDER GROUP	HOW WE ENGAGE	FREQUENCY OF ENGAGEMENT	WHY WE ENGAGE
Shareholders/ Investors	<ul style="list-style-type: none"> ▪ Annual General Meetings (AGM) ▪ Annual and Quarterly reports ▪ Investor Relations Page on the Bank's Website. ▪ Corporate actions ▪ Nigerian Exchange Group (NGX) Platform ▪ Quarterly Results, announcement and conference calls 	<ul style="list-style-type: none"> ▪ Daily ▪ Annually ▪ Ad Hoc 	<ul style="list-style-type: none"> ▪ We engage shareholders and investors by keeping them abreast on reliable and regular information that complies with legal and regulatory requirements. ▪ To ensure transparency in our disclosure to the investor community. ▪ To provide consistent, and timely information on the performance and strategy of the bank. ▪ Solicit their feedback and suggestions.
Customers	<ul style="list-style-type: none"> ▪ Periodic communications to customers via emails, social media platforms, website, SMS, and phone calls on new products and services or concerning other matters. ▪ Direct engagement in branches, meeting points or cash centers for walk-in customers, c ▪ Customer satisfaction surveys. ▪ Customers' forum ▪ Relationship Managers' visit 	<ul style="list-style-type: none"> ▪ Daily ▪ Annually ▪ Ad hoc 	<p>We engage with our customers to fully understand their unique requirements and preferences in order to create service/solutions that are genuinely catered to their requirements.</p>

STAKEHOLDER GROUP	HOW WE ENGAGE	FREQUENCY OF ENGAGEMENT	WHY WE ENGAGE
Employees	<ul style="list-style-type: none"> ▪ End-of-year Christmas party organized to allow employees to bond and have fun after the years' work. ▪ Microsoft Teams, Office 365 ▪ Performance appraisal ▪ Internal Memos ▪ Training, mentorship and leadership programs when organized ▪ Through emails, phone calls and SMS ▪ Staff satisfaction surveys 	<ul style="list-style-type: none"> ▪ Daily ▪ Weekly ▪ Monthly ▪ Quarterly ▪ Annually ▪ Ad hoc 	<ul style="list-style-type: none"> ▪ We create a compelling employee value proposition and collaborative environment connections with our staff by consistently engaging them, which attracts and keeps top talent that helps us achieve our strategic goals. ▪ The employees of NPF Microfinance Bank Plc are fundamental to delivering its strategic intent. ▪ They provide the main competitive advantage for driving profit, revenue, and growth.
Regulators & Government	<ul style="list-style-type: none"> ▪ We invested in developing the skills of our employees through trainings on anti-corruption, bribery and money-laundering detection and prevention. ▪ We ensured compliance with regulatory requirements of the Central Bank of Nigeria, Nigerian Exchange Limited, Financial Reporting Council, Nigeria Deposit Insurance Corporation (NDIC), and all other relevant regulators. 	<ul style="list-style-type: none"> ▪ Monthly ▪ Quarterly ▪ Annually 	<ul style="list-style-type: none"> ▪ We engage with regulators, policymakers, and legislators on policy and regulatory matters that impact our operations and operating environment to ensure effective compliance to regulatory laws and regulations. ▪ To maintain an open, honest and transparent consultation with regulators. ▪ To minimize our operational and regulatory risks
Suppliers	<ul style="list-style-type: none"> ▪ We manage our relationships with suppliers through service level agreements and direct engagements. ▪ Letters and phone calls ▪ Meetings ▪ On-site visits and inspections 	<ul style="list-style-type: none"> ▪ Weekly ▪ Bi-monthly ▪ Monthly ▪ Quarterly ▪ Annually ▪ Ad hoc 	<ul style="list-style-type: none"> ▪ We engage with our suppliers and business partners to protect and encourage the integrity and sustainable practices across our supply chain and ensure we are aligned in terms of expectations and standards. ▪ To ensure a timely delivery of products and services to enhance our operation.

STAKEHOLDER GROUP	HOW WE ENGAGE	FREQUENCY OF ENGAGEMENT	WHY WE ENGAGE
Media	<p>We have a dedicated marketing and communications team that engages the media through agencies to ensure that information disseminated to the public is done professionally and according to the bank's external communications policy. Our Shared Value (Stakeholder Engagement)</p>	<ul style="list-style-type: none"> ▪ Daily ▪ Weekly ▪ Monthly ▪ Quarterly ▪ Annually ▪ Ad hoc 	<ul style="list-style-type: none"> ▪ We engage with the media to support accurate and well-informed reporting. ▪ To safeguard and manage our reputation; ▪ To use the media's power and reach to convey our sustainability narrative; ▪ To notify them immediately and honestly; and ▪ To express our views with influencers.

Communities	<ul style="list-style-type: none"> ▪ Key engagements includes projects, sponsorships donations and raffle draws for scholarship, executed across regions in Nigeria ▪ We regularly engage the local communities where our business premises are situated. Example of such engagement is Aswani market day, Ikorodu Oga Day, etc. 	<ul style="list-style-type: none"> ▪ Monthly ▪ Quarterly ▪ Annually ▪ Ad hoc 	<ul style="list-style-type: none"> ▪ By engaging and collaborating with communities we can address critical social challenges and build a more equitable and sustainable future. ▪ Raise awareness of our environmental activities. ▪ Give back to the community in which we work. ▪ Cultivate relationships and alliances that will support our sustainability goals. ▪ Empowerment program and marketing forums to develop financial skills organized semiannually for women and young girls.
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OUR ENVIRONMENTAL FOOTPRINT

The Bank has shown its further improvement and growth in terms of sustainability in the year 2024 to show our continued commitment to responsible energy consumption. The Bank has maintained and improved on the following:

- The Bank beautified one segment of the Obalende roundabout with flowers.
- The Bank has an environmentally friendly waste management practices to reduce environmental pollution and we have taken steps by supplying 3-coloured waste separation bins in our head office and branches towards effective waste separation process. It is also part of our Waste Management policy to auction obsolete items to staff through bidding processes.
- The Bank through its Procurement Policy commits to lower environmental and social impact in its procurement and vendor onboarding and management processes.
- The Policy provides in clear terms specifications of green equipment/electronics acceptable to the Bank and adopted across the Bank. The Bank has continued to replace existing office equipment with the greener and more sustainable options such as Air conditioners, LED lights, etc.
- Paperless Initiative/ the culture of recycling used papers; there is further improvement by the introduction of the Docu-sign to reduce the usage of paper.
- Use of efficient water systems
- The Bank encourages responsible energy consumption The Bank continues to maintain its hybrid sustainable power solution in some locations in the Bank including parts of the Head Office in furtherance of its commitment and drive towards clean and environmentally friendly energy.
- Through the Bank 's Waste and Pollution Management Policy, the Bank commits to promoting good waste management practices in line with local regulation.

ENERGY CONSUMPTION

- a. We ensure energy consumption reduction by switching off energy sources that are not in immediate use. (We sensitize the staff and also put signage on the strategic part of the bank as reminder) .
- b. The use of renewable and environmentally friendly energy sources for business operations.
- c. LED energy savings bulbs in all our branches.



SUSTAINABILITY IN THE ENVIRONMENT

Our Banking Infrastructure:

The Bank has continued to invest in banking infrastructure that promotes 100% end to end transaction processing to reduce customers' commute time through the use of digital banking in our operations; USSD, Mobile App and Internet Banking Platforms.

We have continued to make use of cloud computing to improve on the following:

- Office 365 and Microsoft Team
- Backup solution.

Talent/Resource Management: Several professionals were employed in 2024 to further enrich the human capital base of the bank.

Waste Management:

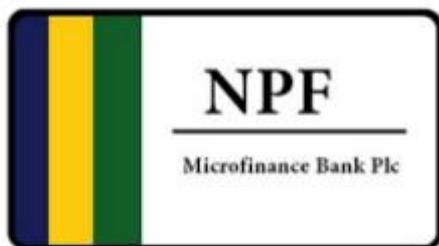
The bank has environmentally friendly waste management practices to reduce environmental pollution. It is our policy to auction obsolete items to staff through bidding processes for reuse.

Emission Reduction:

The Bank has adopted the use of solar power for its ATM machines. We currently have 6 solar powered ATMs across our branches and 8 Solar/hybrid-powered branches in 2024.

Think Green Initiative

NPF Microfinance Bank Plc. has created essential awareness of the sustainable green environment for a transformative impact of climate change.



NPF Microfinance Bank Plc.



NPF Microfinance Bank Cyber security Sustainability Measures

1. Energy-Efficient Infrastructure:

Cloud-Based Solutions: By utilizing cloud services, the bank can reduce the need for physical infrastructure, leading to lower energy consumption and operational costs.

2. Cyber security Automation and AI:

Automated Threat Detection: Utilizing AI-powered tools for detecting and mitigating cyber threats can help the bank ensure faster and more efficient responses, reducing human intervention and energy use.

Zero Trust Architecture: Adopting a zero-trust security model to ensure that resources are allocated efficiently, and access is granted on a need-to-know basis, reducing the strain on networks and hardware.

3. Sustainable Procurement:

Eco-friendly Hardware: The bank focus on purchasing IT and cyber security equipment from vendors committed to environmental sustainability. This includes sourcing devices made from recyclable materials and those that meet energy efficiency standards.

4. Employee Training and Awareness:

Sustainable Practices Education: Ensuring that employees understand both cyber security best practices and how to minimize their energy use while working can contribute to a more sustainable IT environment. This includes using power-saving settings on devices or encouraging remote work to reduce office energy consumption.

Adoption of Automated Phishing and Cyber Awareness Platform: leveraging on efficient platforms to train employees on emerging cyber threats in ensuring employees are aware of latest cyber threats and how they can protect the critical assets of the bank.

5. Cyber security Risk Management:

Business Continuity and Resilience: The bank adopted robust cyber security frameworks that focus on minimizing downtime and ensuring the efficient recovery of systems in case of cyber attacks. This has reduced the negative environmental and operational impact during disruptions.

6. Green Policies:

Promoting Digital Transformation: The bank focus on paperless solutions and online banking services, reducing the environmental impact while also improving cyber security measures through encrypted online transactions and secure digital platforms.

7. Adoption of Generative AI Policy:

The bank implemented AI policy as way of ensuring risk associated with the use of AI is managed while ensuring we remain resilient in the face of emerging cyber threats.

8. Policies and Standards:

Compliance with standards and regulation: The bank ensured compliance with the various cyber security and data protection regulations and standard as part of its sustainability strategy.

9. Collaboration with Green Cyber security Initiatives:

Partnerships with Sustainable Cyber security Vendors: Collaborated with cyber security vendors who prioritize sustainability, such as those who use energy-efficient technology, might be another way to align their cyber security practices with sustainability goals.

As a forward-thinking organization dedicated to innovation, we are committed to continuously enhancing our information security measures to combat the evolving threat landscape; we have implemented cutting-edge technological platforms and adopted global best practices, including our certification in ISO 27001. This prestigious certification not only reinforces our dedication to maintaining a robust security framework but also ensures our compliance with comprehensive cybersecurity and data protection standards, as well as relevant regulatory requirements. Through these efforts, we strive to safeguard our data and maintain the trust of our customers.

We continuously refine our security measures, we aim to create a resilient environment that protects sensitive information, mitigates risks, and fosters trust among our stakeholders. This proactive approach enables us to stay ahead of potential threats, ensuring the confidentiality and integrity of our data at all times.

OUR SOCIAL FOOTPRINT

NPFMFB is driven by the vision to set the standard for financial services in a thriving economy. We aim to reach out to the less served populace while improving the living conditions of everyday people through the overall value we create in the rural communities and the environment in which we serve.

OUR PEOPLE

Our people make a real difference and are essential in achieving the ultimate vision of the future in NPFMFB PLC. We imbibe professionalism, integrity, customer-focused, loyalty and excellence in the day-to-day services we render to our customers. We aim to provide our people with meaningful and impactful work and help them develop their careers within an inclusive, diverse, rewarding and supportive culture. Our people are encouraged to come as they are and bring their unique experiences and perspectives to deliver insights and innovation. They are recognized for the difference they make, the leadership they show and the success they create for our customers and community.

NPFMFB PLC is represented by about 655 staff and 321 essential supports distributed across 36 states and the federal capital territory (figures as of 31st December 2024). We provide financial services in 49 branches, 2 cash centers and numerous meetings points around the federation.

We act on the insights and feedback from our people, using it to achieve our long-term people strategy. We listen to our people by giving everyone an opportunity to share their views through the means of emails, whistle blowing policy in addition to ongoing activities in branches and departments to foster an inclusive and engaging working environment. We continuously work towards gender balance as the percentage of the female to male is 51percent to 49percent in our organization.

OUR CUSTOMERS

NPFMFB PLC provides financial services to several small and medium-sized businesses, individuals and the Paramilitary. Our services and products include but not limited to Beta Moni, PASA-Police after Service Account, KEA-Kids Education Account, Halal savings etc.

All these products and services are to satisfy our teeming customers with their retirement savings plan, smooth educational planning for kids, Soft loans with good paying modalities; financial advisories are performed by a number of specialist groups with multidisciplinary collaboration as one of our most important tools to deliver high quality services.

TRAINING & DEVELOPMENT

NPFMFB provide frequent trainings and workshop for continuous growth and development. Our in-depth safety training consists of new team member orientation and on the job and task specific training. Everyone at NPFMFB is considered when adhering to certain principles regarding training and development.

Some of the trainings and workshops organized in the year 2024 are:

Health, safety and environmental management training which was organized to reduce the number of work-related injuries and illnesses throughout our facilities.

Departmental safety meetings and regular refresher training.

- Induction programme conducted for newly hired staff.
- Risk acculturation and training.
- E and S capacity building organized by DBN to strengthen the environmental and social risk governance practice.
- Internal Control Over Financial Reporting (ICFR) Workshop to ensure accuracy in internal control and financial reporting.

OUR SUSTAINABILITY INITIATIVES

NPF Microfinance Bank Plc. Sponsored the School Leadership Academy Workshop hosted by Opportunity International Edu finance. The workshop aimed at improving learning environment and enhancing educational outcomes these include loans for classroom infrastructure development, procurement of furniture and learning equipment.



NPF Microfinance Bank Plc. supported the ‘Stakeholders Engagement on Digital Financial Inclusion for Persons with Disabilities’ organized by the Consumer Advocacy and Empowerment Foundation in partnership with Consumers International.



NPF MFB collaborated with Rotary Club Falomo to empower 40 Police Officers’ wives at Mopol 2 Barracks in line with our organization's commitment to community development.



Empowering Women, Supporting Wellness: In celebration of POWA’s 60th anniversary, The Bank proudly supported the wives of our nation’s police officers in prioritizing health and fitness.



The bank marked the International women’s day with her female customers by organizing free wellness check.



Awards received by the Bank

NPF MFB was honored with the “Most Supportive Microfinance Bank’ award by the Chartered Institute of Bankers of Nigeria at the Annual Banking and Finance Conference held at Transcorp Hotel Abuja.



The Bank was recognized by the Development Bank of Nigeria (DBN) as the Most Impactful Microfinance Bank in the North West Geopolitical Zone.



Best Customer Service Bank Award from TVC Business Volume Network



The bank inducted over 100 new staff in the year 2024



Empowering Education and Sustainability

Our management and marketing team participated in insightful brainstorming and training sessions, focusing on EduFinance and Renewable Energy financing.



Visit To IDP Camp At Durumi FCT, Abuja North Central



Magajin Gari orphanage in Kaduna North West & East



Ikorodu branch visited House of Chloe Orphanage.



Gideon Orphanage, Aged, Young Widow and Physically Challenged Home in Asero Abeokuta



Owerri, Port Harcourt and Aba visit to Orphanage homes



Financial Inclusion: NPFMF extended its services to Gegeri Village along Argungu, Kebbi State to empower the hardworking individuals and families in the community by providing them with accessible



Support of the IGP and the people of Erinja at the Erinja day 2024



- Celebrating our customers bank wide during the 2024 Customers Service:



2024 End of the year Lagos party



2024 Christmas Carol



NPF
Microfinance Bank Plc
making life better for all

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www.npfmicrofinancebankplc.ng

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SIMPLY DIAL ***5757#**

The advertisement features a man in a pink hoodie and white pants sitting on the floor, looking at his smartphone. The background is a plain white wall.

✓ ECONOMIC

FINANCIAL PERFORMANCE

Our financial performance in 2024 underscores the effectiveness of our strategic initiatives and prudent management practices. Key highlights include: Gross Earnings improved by 25.7% with the ₦12.95Billion recorded in the year when compared with ₦10.30Billion earned in 2023. Net Interest Income grew by 23.59% from ₦8.39Billion in 2023 to ₦10.37Billion. Net operating income improved by 26.79% from ₦9.33Billion in 2023 to ₦11.84Billion in 2024. Total Operating Expenses increased by 21.89% from ₦7.72Billion to ₦9.41Billion. The increase was as a result of increased in operating cost due to rising inflation in the economy. The Profit Before Tax increased by 51.55% from ₦1.61Billion to ₦2.44Billion while the bank posted a Profit After Tax of ₦1.57Billion representing 53.92% increase over last year's ₦1.02Billion. Loans and Advances to customers as at December 2024 grew from ₦21.55Billion in December 2023 to ₦25.53Billion in December 2024 representing an increase of 18.47%. The bank recorded an impressive PAR (Portfolio At Risk) of 3.75% far below CBN benchmark of 5.0%. Deposit Liabilities improved by 56.12% from ₦26.94Billion to ₦42.06Billion attesting to Management dogged marketing effort. Total Assets grew to ₦68.63Billion in year 2024 from ₦44.89Billion in year 2023 representing a growth rate of 52.88%. Total Shareholders Fund stood at ₦11.86Billion at the year end. The bank had been able to grow its Shareholders Fund by 7.83% above the closing figure of ₦10.99Billion for year 2023. This performance is a direct result of our disciplined execution of strategic priorities, including cost optimization, risk management, and the deployment of technology-driven solutions.

OPERATING RESULTS

Highlights of the Bank's operating results for the year ended 31 December 2024 are as follows:

<i>In thousands of naira</i>	31-Dec-2024	31-Dec-2023
Profit before income tax expense	2,437,499	1,614,377
Income tax expense	(863,262)	(594,947)
Profit for the year	1,574,237	1,019,430
Total comprehensive income	1,574,237	1,011,632
Basic and diluted earnings per share (kobo)	26	17

DIVIDENDS

The Board of Directors recommended a cash dividend of 15 kobo per share (issue and paid up shares) for the year ended 31 December 2024 (31 December 2023: 12 kobo). This is subject to approval at the Annual General Meeting. Payment of dividends is subject to withholding tax at a rate of 10% in the hand of recipients.

DONATIONS

As part of our commitment to the development of our primary community and to identify with the aspirations of various sections of the society, the Bank made contributions to charitable and non-political organisations amounting to ₦8,615,000.00 (31 December 2023: ₦711,923) during the year. This comprises contributions to educational organisations amongst others as listed below:

Donations made during the year ended 31 December 2024 are as follows:

	₦
Nigerian Association for the Blind, Lagos	200,000
Police Games 2024	1,000,000
Police Veterans Foundation	2,000,000
Police Children Schools (Obalende, Akure, Ibadan, Abeokuta, Ekiti, Idimu, Ikeja, Enugu, etc)	375,000
Nigeria Police Widows Association, Lagos	20,000
Police Secondary Schools (Abeokuta, Calabar, Akure)	90,000
Orphanage Homes	3,000,000
Professional Bodies	1,500,000
Religious Body	10,000
Others	420,000
	8,615,000

The following donations were made during the year ended 31 December 2023.

	₦
Pacelli School for the Blind, Lagos	100,000
Police Children Schools (Akure, Challenge, Initoro, Epe, Idimu, Ikeja, Enugu, etc)	310,000
Nigeria Police Widows Association, Lagos	20,000
NPF Educational Research and Planning	15,000
Police College, Ikeja	50,000
Police Secondary Schools (Akure, Abeokuta)	140,000
Orphanage Home	76,923

FRAUD AND FORGERIES

Nature of Fraud	No. of Incidence		Fraud Amount (₦)		Actual Loss to the Bank (₦)	
	2024	2023	2024	2023	2024	2023
Perpetrated by staff	8	3	7,994,200	4,204,580	-	1,832,080
ATM Electronic Fraud	-	-	-	-	-	-
Total	8	3	7,994,200	4,204,580	-	1,832,080

Perpetrated by staff

The sum of ₦7,994,200 has been recovered from the fraud perpetrated by staff. This represents 100% recovery of the total fraud amount.

DIVERSITY AND INCLUSION

At NPF Microfinance Bank Plc, we understand that for us to thrive and achieve our vision to be the clear leader in the provision of Microfinance services, we must build a diverse and inclusive workforce that reflects the totality of our customer base. The Bank operates a non-discriminatory policy in the consideration of applications for employment. The Bank seeks to achieve an appropriate mixture of female representation at the top management level. Though this is yet to be achieved on the Board as indicated below, we are currently working to ensure more female representation on the Board.

The number and percentage of men and women employed in the Bank and the Board's composition during the year ended 31 December 2024 were as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Employees (2024)	321	334	655	49%	51%
Employees (2023)	291	229	520	56%	44%
Top Management (2024)	20	14	34	59%	41%
Top Management (2023)	22	16	38	58%	42%
Board					
Executive Directors (2024)	2	1	3	67%	33%
Executive Directors (2023)	3	-	3	100%	0%
Non -Executive Directors (2024)	7	1	8	88%	12%
Non -Executive Directors (2023)	7	1	8	88%	12%

i) The analysis by grade of employees is as shown below:

	31 December 2024			31 December 2023		
	Male	Female	Total	Male	Female	Total
Manager (M)	12	2	14	5	5	10
Senior Manager (SM)	5	8	13	8	6	14
Assistant General Manager (AGM)	10	4	14	7	2	9
Deputy General Manager (DGM)	2	-	2	1	-	1
General Manager (GM)	2	1	3	3	1	4
GRADE LEVEL	31	15	46	24	14	38

ii) Analysis of Directors by gender:

GRADE LEVEL	31 December 2024			31 December 2023		
	Male	Female	Total	Male	Female	Total
Managing Director	1	-	1	1	-	1
Executive Directors	1	1	2	2	-	2
Non - Executive Directors	7	1	8	7	1	8
TOTAL	9	2	11	10	1	11

CORPORATE GOVERNANCE

WHISTLE-BLOWING PROCESS

The Bank is committed to the highest standards of openness, probity and accountability hence the need for an effective and efficient whistle blowing process as a key element of good corporate governance and risk management.

Whistle blowing process is a mechanism by which suspected breaches of the Bank's internal policies, processes, procedure and unethical activities by any stakeholder (staff, customers, suppliers and applicants) are reported for necessary actions.

It ensures a sound, clean and high degree of integrity and transparency in order to achieve efficiency and effectiveness in our operations.

The reputation of the Bank is of utmost importance and every staff of the Bank has a responsibility to protect the Bank from any person or act that might jeopardize its reputation. Staff are encouraged to speak up when faced with information that would help protect the Bank's reputation.

An essential attribute of the process is the guarantee of confidentiality and protection of the whistle blower's identity and rights. It should be noted that the ultimate aim of this policy is to ensure efficient service to the customer, good corporate image and business continuity in an atmosphere compliant to best industry practice.

The Bank has a Whistle Blowing channel via its website, dedicated telephone hotlines and e-mail address in compliance with Section 6.1.12 of the Central Bank of Nigeria (CBN) post-consolidation Code of Corporate Governance for Banks in Nigeria.

The Bank's Head of Internal Audit is responsible for monitoring and reporting on whistle blowing.

SECURITIES TRADING BY INTERESTED PARTIES

The Bank has in place a policy on trading in her Securities on terms no less exciting than the required standard set out in the Nigeria Exchange Listing Rules. The policy prevents employees, Directors and related individuals/companies from insider

dealings on the shares of NPF Microfinance Bank Plc and related parties. The essence of the policy is to prevent the abuse of confidential non-public information that may be gained during the execution of NPF Microfinance Bank's Business.

All Directors of the Bank have complied with the listing rules of the Nigeria Exchange regarding securities transactions by Directors.

The Annual General Meeting of the Bank is the highest decision-making forum. Shareholders are opportuned to express their opinions on the Bank's financials and other issues affecting the Bank at such forum. The Bank encourages shareholders to participate in the affairs of the Bank.

PROTECTION OF SHAREHOLDERS' RIGHTS

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly voting rights at General Meetings of the Bank. All are treated equally, regardless of volume of shareholding or social status.

SHAREHOLDERS' MEETINGS

Shareholders' meetings are duly convened and held in line with existing statutory and regulatory regime. The Bank's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Bank's financial results and other issues affecting the Bank. The Annual General Meetings are attended by representatives of regulators such as the Nigerian Exchange as well as representatives of Shareholders' Associations.

COMPLAINT MANAGEMENT

In compliance with the Securities and Exchange Commission (SEC) rules of 2015, the Bank has in place a complaint management policy. The policy sets out the manner in which shareholders make enquiries or register their complaints and how the Bank responds/address shareholder's complaints, issues and other matters that affects their shareholding.

COMPLAINT CHANNELS

To ensure an effective feedback process, the following channels have been provided for customers to enable them contact the Bank:

Email: ccare@npfmicrofinancebankplc.ng

Toll Free Line: 08008008008

BY ORDER OF THE BOARD



Mrs. Osaro J. Idemudia

Company Secretary/Legal Adviser

FRC/2013/NBA/00000002319

19 March, 2025



ANTI- MONEY LAUNDERING (AML) / COMBATING THE FINANCING OF TERRORISM (CFT) / COMBATING THE PROLIFERATION OF WEAPONS FOR MASS DESTRUCTION (CPF)

NPF Microfinance Bank Plc is committed to the fight against all financial crimes which includes Money Laundering, Terrorist Financing and Proliferation Financing, bribery and corruption. The bank understands that Money Laundering and Terrorism Financing have emerged as a foremost financial crime in the global economy; hence the fight against it has become imperative for the sanity of the global financial system.

Subsequent to that, the bank has adopted the Risk Based Approach which is a process that allows us to identify, assess, understand, monitor and mitigate the threats and risks Money Laundering and Terrorism Financing can pose and then develop strategies and measures commensurate to those threats and risks, in order to mitigate them effectively. To this, the Bank has continually implemented a frame work on Anti-Money Laundering ("AML"), Combating the Financing of Terrorism ("CFT") and Countering Proliferation Financing ("CPF"). Strict adherence to this Framework is mandatory for all employees.

RISK ASSESSMENT

Our bank identifies and assesses the AML/CFT risk profile of the bank. We evaluate the adequacy of the bank's AML/CFT risk assessment processes and fortify them. The bank also allocates needed resources to control and manage the risks identified.

The risk assessment process is to identify, assess and monitor specific products, services, customers, and geographical locations unique to the bank and their possibility of being used as a medium for money laundering and terrorist financing to the end of ensuring that the bank's products and services are not used for laundering funds or terrorist financing.

KNOW YOUR CUSTOMERS

To ensure that only customers that align with the Bank's risk appetite are on-boarded, duly completed account opening forms, identification documents and other relevant information and documents are obtained from the customer. This is the foundation/ bedrock for on boarding and establishing a business relationship with the customer. The bank has an approved KYC/CDD/EDD policy that guided its operations in that regards. The bank also ensures the validation of the authenticity of the customers' means of identification via an independent approved data base before on boarding new customers.

STATUTORY AND REGULATORY REPORTING

The regulatory bodies such as the Central Bank of Nigeria (CBN) and the Nigeria Financial Intelligence Unit (NFIU) and other

statutory bodies require that reports are turned in by our bank for any suspicious or reasonable reasons to suspect any fraud regardless of the person or amount involved.

The bank reports to the NFIU in accordance with the provisions of sections 2 of the AML Prohibition and Prevention Act 2022 as amended on Currency Transaction Report (CTR) and Suspicious Transactions Report (STR).

The Bank renders returns on its annual training plan and its implementation alongside other returns as requested by regulators.

COMPLIANCE MANAGEMENT

Compliance Management in NPF Microfinance Bank cut across all departments and branches of the bank. It ranges from official reporting and whistle blowing, from the branch level to the highest authority. With the escalation procedure for compliance risk in place, the Compliance Department, Enterprise Risk Management Committee (ERMC), Internal Audit Department and the Board through the Board Risk Management Committee (BRMC) and Board Audit Committee (BAC) serve as a medium for reporting compliance risk.

TRAINING/AWARENESS

NPF MFB have rolled out mandatory AML/CFT/CPF training programme for staff, Management and members of the Board regularly to deepen their understanding and be abreast with requirements, procedures, and current trends of AML/CFT, KYC Principles, Code of Conduct and Business Ethics to make sure that the Team is familiar with them. Awareness is being created for new inductees to be familiar with the AML/CFT laws, KYC principles and other AML/CFT related information.

TESTING FOR THE ADEQUACY OF THE AML/CFT OPERATIONS

External Examiners and the Internal Audit team of the bank at regular intervals carry out a review of its AML/CFT functions. This is to review the adequacy of its function, resources deployed for the implementation of its process in line with regulatory expectations and make necessary recommendations which are usually implemented for better performance.

WHISTLEBLOWING

The Bank has a Whistle Blowing Policy which is approved by the Board. This Policy governs the reporting and investigation of improper, unethical, or illegal activities at the Bank, as well as the protection offered to the "Whistle Blowers". All disclosures will be treated with strict confidence and the identity of the Whistle Blower will not be revealed except as required for Security, Regulatory or Legal purposes.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in a manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) guidelines and circulars.

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

Going Concern

The Directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the year ahead.

The financial statements of the Bank for the year ended 31 December 2023 were approved by the directors on 19 August 2024.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Habib A. Yusuf*
Managing Director/Chief Executive Officer
19 August 2024



CP Samuel Damilola Adegbuyi (Rtd)*
Chairman
19 August 2024

** The Bank obtained waiver from the Financial Reporting Council of Nigeria (FRCN) to enable the Managing Director and the Board Chairman sign the financial statements.*

AS AT 31 DECEMBER 2024

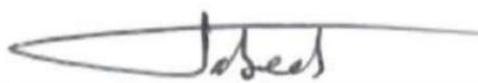
<i>In thousands of naira</i>	Note	31-Dec-2024	31-Dec-2023
ASSETS			
Cash and cash equivalents	16	33,837,861	17,487,783
Investment securities	19	3,884,703	1,869,183
Loans and advances to customers	18	25,528,160	21,552,344
Pledged assets	17	2,735,460	1,889,342
Other assets	20	870,559	558,619
Property and equipment	21	1,769,867	1,531,263
Intangible asset	22	1,003	2,047
TOTAL ASSETS		68,627,613	44,890,581
LIABILITIES			
Deposits from customers	23	42,059,255	26,939,651
Current tax liabilities	15(b)	858,343	676,470
Other liabilities	25	13,225,612	4,166,778
Borrowings	24	572,483	2,065,020
Deferred tax liabilities	15(c)	66,638	52,462
TOTAL LIABILITIES		56,782,331	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)	2,312,835	1,851,312
Fair value reserve	27(c)	(13,147)	(13,147)
Statutory reserve	27(d)	2,382,331	1,988,772
Regulatory risk reserve	27(e)	-	-
TOTAL EQUITY		11,845,282	10,990,200
TOTAL LIABILITIES AND EQUITY		68,627,613	44,890,581

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

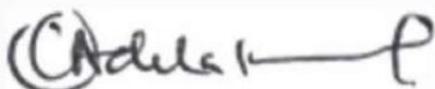
The Financial Statement was approved by the Board of Directors on 19th March 2025 and signed on its behalf by:



CP Samuel Damilola Adegbuyi (Rtd)
Chairman
FRC/2025/PRO/DIR/003/238053



Mr. Habeeb A. Yusuf
Managing Director/Chief Executive Officer
FRC/2025/PRO/DIR/003/163632



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

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

Our Commitment & Progress Report on Nigerian Sustainable Banking Principles (NSBP).

NPF Microfinance Bank Plc has *incorporated all nine (9) principles into our business* in recognition of the Nigerian banking sector's role and responsibility to signal our commitment to economic growth that is environmentally responsible and socially relevant.

We believe that such an approach, one of sustainable banking, is consistent with our individual and collective business objectives, and can stimulate further economic growth and opportunity as well as enhance innovation and competitiveness in order to seed a sustainable future.

As a bank, we consider the direct impacts on the environment and society arising from our own business operations. We also consider our indirect impacts on the environment and society arising from our capital allocation decisions. We avoid negative impacts on the environment and communities where possible, and where they are unavoidable, they are minimised or offset appropriately.

We believe that adherence to these Principles will provide benefits to our businesses, our clients, our communities and our environment.

Our performance in NSBP implementation for the 2024 financial year is outlined below:

Principles	Initiatives by NPFMFB
<p>Principle 1 Managing environmental and social risk in the bank's business transactions.</p>	<p>In the delivery of our Business Activities, the Bank may be exposed to Environmental and Social risks which may represent credit and /or reputational risk, that is why we incorporate Environmental and Social (E&S Risks into our enterprise risk management framework.</p> <p>As part of our strategy, we have screened the projects we support for social and environmental risks and have linked our lending choices and practices with the NSBP's guidelines.</p> <p>We have adhered with our E&S Procedures, which direct all of our business transactions against environmental and social risks, as well as our Sustainable Banking Policies.</p>
<p>Principle 2 Managing environmental and social footprints in the bank's operations</p>	<p>We have made an effort to avoid, minimize, or offset the impacts that our business operations have on the environment and the communities where we operate, as well as to encourage any positive impacts that we can.</p> <p>In managing the environmental and social footprint of the bank, we have developed and ensured compliance with the E&S Footprint Management as a documentation guide.</p> <p>The Bank has achieved this through the Implementation of green initiatives and practices.</p> <p>The reduction in carbon (CO2) emissions from air travel as a result of Zoom/remote meeting technology.</p> <p>Some of our office locations and ATMs are powered by solar-hybrid energy solutions.</p> <p>No gender and human rights abuse recorded in 2024.</p> <p>Enhanced community engagement practices.</p> <p>Community engagement- Our immediate communities have been engaged through various platforms such as international women day celebration and free medical checks, Philanthropic activities such giving back to the society through outreaches to various places.</p>

Principles	Initiatives by NPFMFB
Principle 3 Safeguarding human rights in our business operations and activities	<p>At NPFMFB, we respect human rights in our business activities. Our robust Human Rights Policy provides guidelines that encourage respect for the rights of employees and other stakeholders.</p> <p>We believe in equal rights for everyone and we maintain zero tolerance for any form of discrimination based on race, colour, religion, gender, (dis)ability, political orientation or marital status.</p> <p>We recognise that having a diversified workforce is crucial to keeping exceptional talents with capabilities that help us sustain our competitive edge.</p>
Principle 4 Promoting women’s economic participation/empowerment through our Business Activities	<p>NPFMFB operates a gender-inclusive workplace culture and promotes initiatives that support the growth and positive contribution of women.</p> <p>The bank has a gender inclusive culture and established initiatives and products to educate and empower women with new skills and provide opportunities for them.</p> <p>We remain committed to supporting promising female entrepreneurs and developing products to meet their business needs.</p>
Principle 5 Promoting financial inclusion and taking banking products and services to the unbanked population	<p>The bank provide financial services to individuals and communities that traditionally have had limited or no access to the formal financial sector.</p> <p>NPFMFB provides access to a broad range of financial services that support SME development and growth. We also promote consumer protection</p> <p>All our office locations are accessible to the physically challenged.</p> <p>We invest in banking infrastructure that promotes transaction processing to reduce customers’ commute time through the introduction of digital banking in our operations.</p>
Principle 6 E & S governance	<p>We have developed an E&S Governance framework to guide the governance of our sustainability implementation.</p> <p>We have constituted a Board-level Sustainability Banking Governance Committee also called the Board Risk Management Committee, as well as a management level Sustainability Banking Committee (SBC) to oversee, supervise and enforce the Bank’s sustainability objectives through regular analysis and reviews of E&S policies and practices.</p>
Principle 7 Training and capacity building	<p>We value our competent workforce and ensure that we make deliberate significant investments in their training and capacity building by making provisions in our 2024 BUDGET to ensure that all staff are engaged in Sustainability training.</p>
Principle 8 Promoting collaborative partnerships	<p>The Bank has collaborated with key financial institutions on sustainability issues via on-lending relationships such as the Development Bank of Nigeria (DBN), other non-financial institutions including African Learning Limited, Emel Solar Energy, Delight Solar Energy, Green Light Solar Energy, Cottage Asset, African Learning Development, amongst others.</p>
Principle 9 Sustainability reporting	<p>We have developed internal metrics and targets for measuring and reporting our performance and progress vis-à-vis sustainability standards, principles and best practices.</p>

Our commitment & Progress Report on NGX-GRI Sustainability Disclosure

The Nigerian Exchange Group unveiled its Sustainability Disclosure Guidelines in 2018 in conjunction with the Global Reporting Initiative (GRI), to integrate sustainability reporting for listed companies and encourage the adoption of sustainable business practices. We have aligned our policies and practices with the NGX-GRI principles and have incorporated NGX-GRI reporting into our Sustainability Report in line with regulatory expectations.

The following nine (9) principles and the corresponding core elements encompass the indicators of what the NGX defines as responsible business conduct.

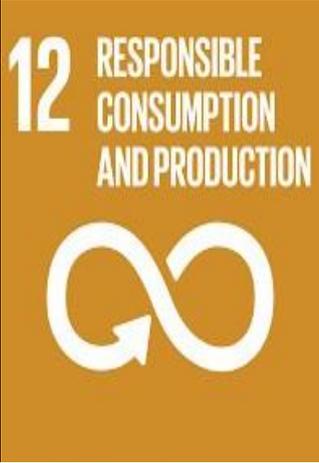
Principles	Initiatives by NPFMFB
<p>Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</p>	<p>We have created governance frameworks, policies, and processes that guarantee moral behavior at all levels and encourage the application of this idea throughout the whole value chain.</p> <p>Additionally, we have guaranteed information access and open communication on our decisions that affect relevant stakeholders.</p> <p>We don't participate in unethical, corrupt, or anti-competitive activities.</p> <p>We fulfill our obligations to make mandatory financial and other disclosures.</p>
<p>Principle 2: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</p>	<p>We make sure that our advocacy positions align with the Principles and Core Elements presented in our annual sustainability report as we undertake policy advocacy in the course of our company.</p> <p>By providing training on anti-corruption, bribery, and money-laundering detection and prevention, we invested in our employees' skill development.</p> <p>We made sure that all applicable regulations were followed, including those set up by the Financial Reporting Council, Nigerian Exchange Group, Central Bank of Nigeria, and other relevant regulators.</p>
<p>Principle 3: Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle.</p>	<p>We ensure the promotion of safe usage and disposal of our products and services.</p> <p>At NPFMFB, we engage in responsible procurement practices which address transparency, confidentiality, fairness, child labour, corruption, conflict of interest, support for SME and women-owned businesses, forced labour, social responsibility and Health & Safety.</p>
<p>Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner.</p>	<p>As we serve the needs of our customers, we take into account the overall wellbeing of the customers, consumers, and society.</p> <p>We disclose all information truthfully and factually, through relevant and informative means.</p> <p>NPFMFB is committed to conducting business professionally, with integrity and following applicable rules and regulations. We value our customers and ensure that they are always treated fairly and satisfactorily. We offer a range of solutions to our customers, from the most basic to the most sophisticated of financial services.</p> <p>We also provide adequate grievance handling mechanisms to address customer and consumer concerns, and feedback.</p>

Principles	Initiatives by NPFMFB
<p>Principle 5: Businesses should promote the wellbeing of all employees.</p>	<p>At NPF MFB we provide access to the appropriate grievance redress mechanisms. We do not use child labour, forced labour or any form of involuntary labour, paid or unpaid.</p> <p>We provide facilities for the wellbeing of our employees including those with special needs by providing Health Insurance Plan for our employees and putting in place a proactive HSE Policy for smooth and safe operations.</p> <p>We ensure timely payment of fair living salaries of the employees and a workplace environment that is safe, hygienic humane, and upholds the dignity of the employees.</p> <p>At NPFMFB we have built a repository of human capital given our understanding of the value of human capital for organisational success.</p> <p>Our training programmes are a mix of in-house, classroom and computer-based sessions via our robust e-learning platform.</p>
<p>Principle 6: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.</p>	<p>We acknowledge, assume responsibility and are transparent about the impact of our policies, decisions, product and services, and associated operations on the stakeholders.</p> <p>NPFMFB provides access to a broad range of financial services. We also invested in banking infrastructure that promotes end to end transaction processing to reduce customers' commute time through the introduction of digital banking in our operations.</p>
<p>Principle 7: Businesses should respect and promote human rights.</p>	<p>At NPFMFB, we understand the need to safeguard the rights of people. Our robust Human Resources Policy provides guidelines that encourage respect for the rights of employees and other stakeholders. We believe in equal rights for everyone and we maintain zero tolerance for any form of discrimination based on race, colour, religion, gender, (dis)ability, political orientation or marital status.</p> <p>We recognise that having a diversified workforce is crucial to keeping exceptional talents with capabilities that help us sustain our competitive edge.</p>
<p>Principle 8: Businesses should support inclusive growth and equitable development.</p>	<p>NPFMFB understands our impact on social and economic development and responds through appropriate action to minimize the negative impacts.</p> <p>We operate a gender-inclusive workplace culture and promote initiatives that support the growth and positive contribution of women at all levels of our organisation.</p>
<p>Principle 9: Business should respect, protect and make efforts to restore environment.</p>	<p>In managing the environmental and social footprint of the bank, we have developed and ensured compliance with the E&S Footprint Management as a documentation guide.</p> <p>Implementation of green initiatives and practices.</p> <p>The reduction in carbon (CO₂) emissions from air travel as a result of Zoom/remote meeting technology.</p> <p>Some of our office locations and ATMs are powered by solar-hybrid energy solutions</p> <p>No gender and human rights abuse recorded in 2024</p> <p>Enhanced community engagement practices like cleaning of the banking environment which took place across our regions.</p>

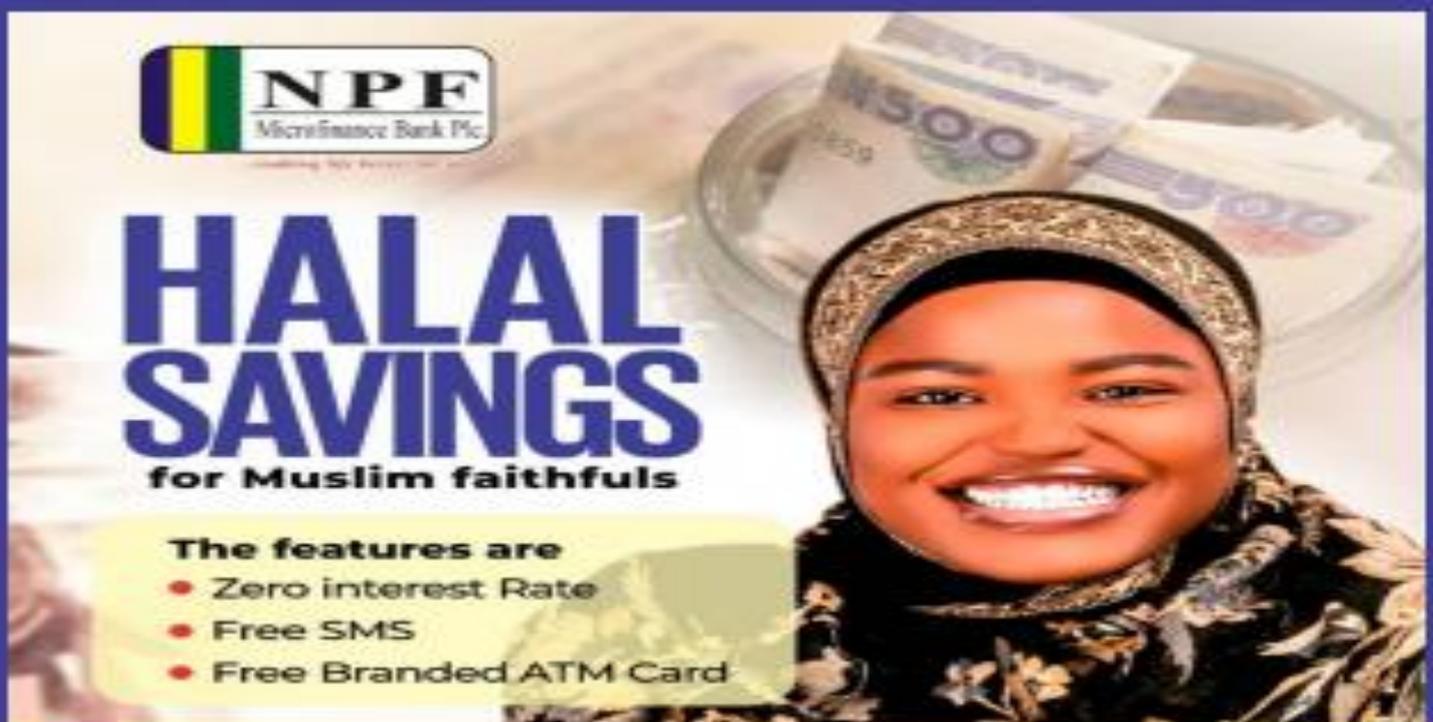
OUR COMMITMENT & PROGRESS REPORT ON SUSTAINABLE DEVELOPMENT GOALS (SDGS)

GOALS	TARGETS	NPFMFB CORRESPONDING INITIATIVES
<p>1 NO POVERTY</p> 	<p>End poverty in all forms everywhere.</p>	<p>Over 200 staff were recruited and inducted into the Bank’s operation. This has led to reduction in the level of unemployment.</p>
<p>2 ZERO HUNGER</p> 	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	<p>NPFMFB collaborated with Rotary club as a transitory bank for loan disbursement to empower the Police Officers wives under the POWA Arm in Lagos.</p>
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Ensure healthy lives and promote well-being for all ages.</p>	<p>A .Support to IDP Camp At Durumi FCT, Abuja North Central B. We offer assistance to employee. C. We provide frequent health and safety trainings to staff e.g. Fire drill.</p>
<p>4 QUALITY EDUCATION</p> 	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<p>The Bank participated in the School Leadership Academy Workshop hosted by Opportunity International Edu finance. The workshop aims to unlock school’s full potential and transform education with NPFMFB.</p> <p>Our management and marketing team participated in insightful brainstorming and training sessions, focusing on EduFinance and Renewable Energy financing.</p>
<p>5 GENDER EQUALITY</p> 	<p>Achieve gender equality and empower all women and girls</p>	<p>There are increased growth opportunities for women across different levels at the Bank.</p>

GOALS	TARGETS	NPFMFB CORRESPONDING INITIATIVES
6 CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all	Credit facilities are advanced to customers who are into production of portable clean water. NPFMFB continues to provide water dispenser units in our head office and all branches for staff and customers. The bank has environmentally friendly waste management practices to reduce environmental pollution.
7 AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy	Retrofit all our branches with LED energy saving bulbs. We have increased the solar-powered ATMs to 6 and 8 Solar/hybrid-powered branches in 2024
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	NPFMFB extended its services to Gegeri Village along Argungu, Kebbi State to empower the hardworking individuals and families in the community by providing them with accessible financial services.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Industry, Innovation and Infrastructure	Sponsoring of Nigeria Police Force Academy sport competitions, Cadets Parades and other inter house sport in Police Children Schools across the nation.
10 REDUCED INEQUALITIES 	Reduce inequality within and among countries	Financial inclusion: A vast range of products catered to every cadre of clients. Ratio of women to men in our work force is almost equal. We also have person living with disability in the employment of the Bank.
11 SUSTAINABLE CITIES AND COMMUNITIES 	Make cities and human settlements inclusive, safe, resilient, and sustainable	We contribute to the provision of development of critical infrastructures in many communities across Nigeria to make them habitable. We also support security trust funds to combat crime and promote peaceful and more stable communities

GOALS	TARGETS	NPFMFB CORRESPONDING INITIATIVES
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns</p>	<p>a. We have taken steps by supplying 3-coloured waste separation bins in our head office and branches towards effective waste separation process. It is also part of our Waste Management policy to auction obsolete items to staff through bidding processes</p> <p>b. Paperless Initiative; Use of LED lights; Use of water efficient taps and flush systems.</p>
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • We ensure energy consumption reduction by switching off energy sources that are not in immediate use. We sensitize the staff and also put signage on the strategic part of the bank as reminder
 <p>14 LIFE BELOW WATER</p>	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>	<p>As a means of preserving life below water, we ensure proper waste management system and recycling to prevent marine pollution.</p>
 <p>15 LIFE ON LAND</p>	<p>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and biodiversity loss</p>	<p>a. As part of the bank's deliberate measures, we deployed the use of solar hybrid power solutions to some branches and ATM locations, as alternative power source, reducing our carbon emission.</p> <p>b. We reduced paper usage from photocopy and printing by about 40% year-on-year and recycled and we have adopted the use of Docu-sign that aids in the process approval for transactions.</p>

GOALS	TARGETS	NPFMFB CORRESPONDING INITIATIVES
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Promote peaceful and inclusive societies or sustainable development; provide access to justice for all and build effective, accountable, and inclusive institutions at all levels</p>	<p>a. NPFMFB has a grievance mechanism in place, providing employees with a platform for reporting grievances and ensuring that grievances are resolved in the best possible way.</p> <p>b. In line with our whistleblowing policy, employees and external parties are encouraged to report all actual or suspected bribery incidents and corrupt practices through our whistleblowing channels.</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>We have established partnerships with public and private sector organizations and international organizations with whom we are united by a shared commitment to lead efforts in sustainable development across multi-sector or industry platforms. E.g partnership with: Central Bank of Nigeria, Bank Of Industry and Development Bank of Nigeria.</p>



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Microfinance Bank Plc

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for Muslim faithfuls

The features are

- Zero interest Rate
- Free SMS
- Free Branded ATM Card

Supplementary Information

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Supplementary Information

Reporting year

Information in this report is related to the fiscal year 2024. That is between the months of January 2024 and December 2024.

Additional reporting

This report complements the bank's annual report and accounts and both reports provide a better picture of our performance within the year under review.

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Feedback

Your feedback on the NPFMFB PLC sustainability report is welcomed.

We are interested in hearing what our stakeholders think about our sustainability performance and reporting efforts – and how we can improve both. Please email your thoughts and suggestions to:

Mr. Isaac Jackson

Head, Enterprise Risk

Management/Sustainability NPF

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This report was compiled and developed by the NPFMFB Sustainable Banking Team