

Nigeria Mortgage Refinance Company Plc

Unaudited Interim Financial Statements

30 June 2025

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Corporate information

| | | |
|---------------------------|--|---|
| Board of Directors | Yemi Adeola Kehinde Ogundimu Olufemi Johnson, DBA Olabanjo Obaleye, DBA Aminu Umar-Sadiq Armstrong Takang, PhD Markie Idowu, PhD Funke Aboyade, SAN, FCI Arb Bolaji Agbede | Chairman Chief Executive Officer Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director |
| Corporate Office | 17, Sanusi Fafunwa Street Victoria Island Lagos | |
| Auditors | PricewaterhouseCoopers Landmark Towers 5B Water Corporation Road, Oniru, Lagos Tel +234 1 271700 www.pwc.com/ng | |
| Company Secretary | Tochukwu Kelly Mogbo Company secretary 17, Sanusi Fafunwa Street Victoria Island Lagos | |
| Registration Number | RC1123944 | |
| Tax Identification Number | 17836949-0001 | |

Statement of financial position

As at 30 June 2025

| <i>In thousands of Naira</i> | Notes | Audited | |
|---------------------------------------|------------|-------------------|-------------------|
| | | 30 June 2025 | 31 December 2024 |
| Assets | | | |
| Cash and cash equivalents | 5 | 222,532 | 427,282 |
| Placements with banks | 6 | 1,959,785 | 1,621,130 |
| Mortgage refinance loans | 7 | 22,880,913 | 23,892,428 |
| Investment securities | | | |
| - FVOCI | 8 | 3,571,665 | 2,821,072 |
| - Amortised cost | 8 | 54,935,686 | 55,031,274 |
| Other assets | 11 | 1,018,892 | 747,557 |
| Intangible assets | 10 | 28,356 | 33,829 |
| Property and equipment | 9 | 685,076 | 619,227 |
| Total assets | | 85,302,904 | 85,193,799 |
| Liabilities | | | |
| Debt securities issued | 12(a) | 16,628,690 | 17,973,980 |
| Borrowings | 12(b) | 36,434,115 | 36,806,320 |
| Other liabilities | 13 | 3,187,214 | 3,116,837 |
| Current tax liabilities | 20(b) | 62,188 | 109,106 |
| Total liabilities | | 56,312,207 | 58,006,243 |
| Capital and reserves | | | |
| Share capital | 14(a)(ii) | 2,125,444 | 2,125,444 |
| Share premium | 14(a)(iii) | 5,925,232 | 5,925,232 |
| Retained earnings | 14(b) | 15,802,871 | 14,340,480 |
| Statutory reserves | 14(c) | 5,304,533 | 5,048,249 |
| Statutory credit risk reserve | 23(i) | 118,751 | 128,866 |
| Fair value reserve | 14(d) | (286,134) | (380,715) |
| Total equity | | 28,990,698 | 27,187,556 |
| Total liabilities and equities | | 85,302,904 | 85,193,799 |



Kehinde Ogundimu
Chief Executive Officer
FRC/2015/ICAN/00000011195



Kanayo Mba
Chief Financial Officer
FRC/2019/ICAN/00000019030

The accompanying notes are an integral part of these interim financial

Statement of profit or loss and other comprehensive income

For the period ended 30 June 2025

| <i>In thousands of Naira</i> | Note | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|---|-------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Gross earnings | | 2,585,685 | 2,635,900 | 5,147,988 | 5,232,992 |
| Interest income | 15 | 2,585,285 | 2,635,619 | 5,147,124 | 5,232,664 |
| Interest expense | 16 | (954,004) | (1,024,120) | (1,915,946) | (2,100,517) |
| Net interest income | | 1,631,281 | 1,611,499 | 3,231,178 | 3,132,147 |
| Other income | 17 | 400 | 281 | 864 | 328 |
| Total income | | 1,631,681 | 1,611,780 | 3,232,042 | 3,132,475 |
| Personnel expenses | 18 | (289,997) | (272,168) | (593,421) | (550,224) |
| Depreciation and amortization | 9,10 | (36,313) | (21,737) | (74,710) | (39,397) |
| Other operating expenses | 19 | (391,369) | (382,728) | (812,105) | (720,455) |
| Profit before income tax | | 914,002 | 935,147 | 1,751,806 | 1,822,398 |
| Income tax expense | 20(a) | (22,066) | (22,898) | (43,246) | (46,122) |
| Profit for the period | | 891,936 | 912,249 | 1,708,561 | 1,776,276 |
| Items that are or may be reclassified to profit or loss - Changes in fair values of FVOCI debt instruments | 14(d) | 27,320 | (74,775) | 94,581 | (386,175) |
| Other comprehensive income, net of income tax | | 27,320 | (74,775) | 94,581 | (386,175) |
| Total comprehensive profit for the period | | 919,256 | 837,473 | 1,803,142 | 1,390,102 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 891,936 | 912,248 | 1,708,561 | 1,776,276 |
| Profit for the period | | 891,936 | 912,248 | 1,708,561 | 1,776,276 |
| Total comprehensive profit attributable to: | | | | | |
| Equity holders of the Company | | 919,256 | 837,473 | 1,803,142 | 1,390,102 |
| Total comprehensive profit for the period | | 919,256 | 837,473 | 1,803,142 | 1,390,102 |
| Earnings per share (Basic and diluted) - kobo | 21 | 42 | 43 | 80 | 84 |

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

Statement of changes in equity
For the period ended 30 June 2025

| <i>In thousands of Naira</i> | Share capital | Share premium | Retained earnings | Statutory reserves | Fair value reserve | Statutory credit risk reserve | Total |
|---|------------------|------------------|-------------------|--------------------|--------------------|-------------------------------|-------------------|
| Balance at 1 January 2025 | 2,125,444 | 5,925,232 | 14,340,480 | 5,048,249 | (380,715) | 128,866 | 27,187,556 |
| Profit for the year | - | - | 1,708,561 | - | - | - | 1,708,561 |
| Transfer to statutory reserve | - | - | (256,284) | 256,284 | - | - | - |
| Transfer to statutory credit risk reserve | - | - | 10,115 | - | - | (10,115) | - |
| Dividend paid | - | - | - | - | - | - | - |
| Other comprehensive income for the year | - | - | - | - | 94,581 | - | 94,581 |
| Net impairment loss/(write back) | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | 1,462,391 | 256,284 | 94,581 | (10,115) | 1,803,142 |
| Transactions with owners of the Company recognised directly in equity: | | | | | | | |
| Bonus dividend shares issued during the period | - | - | - | - | - | - | - |
| Balance at 30 June 2025 | 2,125,444 | 5,925,232 | 15,802,871 | 5,304,533 | (286,134) | 118,751 | 28,990,698 |

| <i>In thousands of Naira</i> | Share capital | Share premium | Retained earnings/ (loss) | Statutory reserves | Fair value reserves | Statutory credit risk | Total |
|---|------------------|------------------|---------------------------|--------------------|---------------------|-----------------------|-------------------|
| Balance at 1 January 2024 | 2,125,444 | 5,925,232 | 13,008,738 | 4,495,921 | 32,035 | 94,866 | 25,682,236 |
| Profit for the year | - | - | 3,682,189 | - | - | - | 3,682,189 |
| Transfer to statutory reserve | - | - | (552,328) | 552,328 | - | - | - |
| Transfer to statutory credit risk reserve | - | - | (34,000) | - | - | 34,000 | - |
| Dividend paid | - | - | (1,764,119) | - | - | - | (1,764,119) |
| Other comprehensive income for the year | - | - | - | - | (412,750) | - | (412,750) |
| Net impairment loss/(write back) | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | 1,331,742 | 552,328 | (412,750) | 34,000 | 1,505,320 |
| Transactions with owners of the Company recognised directly in equity: | | | | | | | |
| Bonus dividend shares issued during the year | - | - | - | - | - | - | - |
| Balance at 31 December 2024 | 2,125,444 | 5,925,232 | 14,340,480 | 5,048,249 | (380,715) | 128,866 | 27,187,556 |

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

Statement of cash flows
for the period ended 30 June 2025

| <i>In thousands of Naira</i> | Note | 30 June 2025 | 30 June 2024 |
|---|-------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Profit for the period | | 1,708,561 | 1,776,276 |
| Tax expense | 20(a) | 43,246 | 46,122 |
| Profit before tax | | <u>1,751,806</u> | <u>1,822,398</u> |
| Adjustments for: | | | |
| Interest income | 15 | (5,147,124) | (5,232,664) |
| Interest expense | 16 | 1,915,946 | 2,100,517 |
| Depreciation and amortization | 9,10 | 74,710 | 39,397 |
| Loss on disposal of Property and Equipment | 24(g) | - | 24 |
| Impairment loss/(writeback) on mortgage refinance loans | 7(a) | - | - |
| | | <u>(1,404,662)</u> | <u>(1,270,329)</u> |
| Changes in: | | | |
| Mortgage refinance loans | 24(a) | (1,001,134) | (802,830) |
| Placements with banks | 24(b) | (342,770) | 223,349 |
| Other assets | 24(c) | (271,335) | (108,473) |
| Other liabilities | 24(d) | 70,377 | 291,955 |
| | | <u>(2,949,524)</u> | <u>(1,666,330)</u> |
| Interest received | 24(e) | 5,752,022 | 5,203,541 |
| Tax paid | 20(b) | (90,164) | (88,224) |
| Net cash flows from operating activities | | <u><u>2,712,333</u></u> | <u><u>3,448,987</u></u> |
| Cash flows from investing activities | | | |
| Net (purchase)/sale of financial investment | 8(b) | 840,165 | 300,000 |
| Acquisition of property and equipment | 9 | (135,089) | (176,901) |
| Acquisition of intangible assets | 10 | - | (38,700) |
| Proceeds from disposal of property and equipment | 24(g) | - | 3,210 |
| Net cash flows used in investing activities | | <u><u>705,076</u></u> | <u><u>87,609</u></u> |
| Cash flows from financing activities | | | |
| Interest paid on debt securities issued | 24(f) | (1,127,047) | (1,249,523) |
| Interest paid on borrowings | 24(f) | (777,044) | (792,369) |
| Repayment of debt security issued | 24(f) | (1,344,165) | (1,522,598) |
| Repayment of borrowings | 24(f) | (373,904) | - |
| Proceeds from borrowings & debt securities issued | 24(f) | - | - |
| Net cash flows from financing activities | | <u><u>(3,622,159)</u></u> | <u><u>(3,564,490)</u></u> |
| Net increase in cash and cash equivalents | | (204,750) | (27,893) |
| Cash and cash equivalents, beginning of period | 5 | 427,282 | 93,739 |
| Cash and cash equivalents, end of period | 5 | <u><u>222,532</u></u> | <u><u>65,846</u></u> |

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

Notes to the financial statements
for the period ended 30 June 2025

1 Reporting entity

Nigeria Mortgage Refinance Company Plc ("the Company") is a public liability company incorporated in Nigeria on 24 June, 2013 under the Companies and Allied Matters Act (CAMA). The address of the Company's corporate office is 17, Sanusi Fafunwa Street, Victoria Island, Lagos. The Company is primarily involved in provision of long term funds to eligible mortgage lenders by issuing long term bonds in the Nigerian financial market and refinancing of mortgage loans.

2 Basis of preparation

(a) Statement of compliance

The interim condensed financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2024.

(b) The financial statements have been prepared under the historical cost convention except for the following:-

- financial assets and liabilities measured at amortised cost
- financial assets measured at fair value through other comprehensive income (FVOCI)

(c) Functional and presentation currency

The financial statements are presented in Naira, which is the Company's functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 4(e).

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Non-derivative Financial Instruments

(a) Initial recognition

- (i) Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

Financial instruments carried at amortised cost and fair value through other comprehensive income are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments are recognised or de-recognised on the date the Company settles the purchase or sale of the instruments (settlement date accounting)

(ii) *Classification*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

The Company classifies financial liabilities into two categories: financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss (FVTPL). By default, the Company measures its financial liabilities at amortised cost. However, there are exceptions to this approach. If a financial liability is held for trading purposes, it must be measured at FVTPL. Additionally, the Company may choose to designate a financial liability at FVTPL by applying the fair value option, as permitted under IFRS.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans);

Non-recourse loans

Loans made by the Company that are secured by collateral of the borrower may limit the Company's claim to cash flows of the underlying collateral (non-recourse loans). The Company applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Company typically considers the following information when making this judgement:

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value
- the Company's risk of loss on the asset relative to a full-recourse loan;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Company will benefit from any upside from the underlying assets.

(iii) *Reclassifications*

Reclassification of financial assets is permitted only in rare circumstances and is required if the objective of the business model in which the financial assets are held changes after initial recognition, and if the change is significant to the Company's operations.

(b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value (with changes directly recorded in equity) or amortised cost, depending on their classification:

(i) *Financial assets at amortized cost*

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments. These include Cash and cash equivalents, Mortgage Refinance loans, Staff loans, other receivables, treasury bills and a portfolio of investments in bonds.

The carrying amounts of these assets are measured at amortised cost using the effective interest method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the loan and receivable and amortised through interest income as part of the effective interest rate.

(ii) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, fixed placements and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Cash and cash equivalents are recorded in accordance with the accounting principles of assets at amortized cost.

(iii) *Financial assets at fair value through other comprehensive income (FVOCI)*

FVOCI financial assets are non-derivative financial assets. The Company's investments in a portfolio of bonds, treasury bills and equity instruments are classified as FVOCI financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve.

No allowance account is created for FVOCI financial assets as expected credit losses are recognized in the fair value reserves.

When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss except for those gains or losses on equity instruments.

(iv) *Other financial liabilities*

Other financial liabilities are measured at amortised cost subsequent to initial recognition. The Company's borrowings and debt securities and other liabilities are included in this category.

(c) Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets that are debt instruments and that are not measured at fair value through profit or loss (FVTPL).

No impairment loss is recognised on equity investments

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see (e)) and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Inputs into ECL measurement

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed in Note 4(a)(v) under the heading 'Generating the term structure of PD'.

Loss Given Default (LGD) is the measure of the proportion of the outstanding balance that the Company stands to lose in the event of a default. The LGD as a percentage of EAD is then a combination of the losses associated with the debt instrument. Multi-year LGD is a collection of LGD values referring to different time periods over the lifetime of a financial asset. The LGD model considers the collateral value and class, unsecured recovery rate, collateral hair cut, recovery costs and time to recovery of any collateral that is integral to the financial asset. For loans secured by real estate property, loan to value (LTV) ratios are a key parameter in determining LGD.

Exposure at Default (EAD) is the measure of the expected outstanding balance on a facility at a given time of default. Multi-year EAD is a collection of the monthly EAD values referring to different time periods over the lifetime of a financial asset. The outstanding balance on financial assets at every time period depends primarily on the nature of its cash flows. All financial assets in the scope of IFRS 9 can be classified into assets with deterministic cash flows and assets with stochastic cash flows. However, all assets with the Company possess deterministic cash flows, therefore they can be modelled based on their repayment types in the following categories:

- Bullet repayment
- Annuity repayment
- Linear repayment
- Unstructured repayment

However, the loans and advances of the Company are computed on an annuity repayment basis.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require repayment of an advance.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

(d) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs or for gains and losses arising from a group of similar transactions.

(e) Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

(ii) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

3.2 Property and equipment

(a) Recognition and measurement

Property and equipment are stated at cost of acquisition less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of a property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the the Company. Ongoing repairs and maintenance are expensed as incurred.

(b) Depreciation

Depreciation is charged on a straight line basis, at the following annual rates that are designated to write off the cost of the assets over the expected useful lives of the assets concerned.

| Class of Assets | Rate |
|------------------------|--------------------------|
| Office equipment | 25% |
| Furniture and fittings | 25% |
| Computer equipment | 33.33% |
| Motor vehicle | 25% |
| Freehold improvement | 25% |
| Plant and machinery | 25% |
| Building | 2% |
| Land | Land is not depreciated. |

(c) Derecognition

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

(d) Work-in-progress

Work-in-progress consists of items of property and equipment that are not yet available for use. Work-in-progress is carried at cost less any required impairment. Depreciation starts when assets are available for use. An impairment loss is recognised if the asset's recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Once the items are available for use, they are transferred to relevant classes of property and equipment as appropriate.

3.3 Intangible assets

Software

Software acquired by the Company is measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is four years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Upon disposal of any item of software or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of intangible assets are determined by comparing proceeds with their carrying amounts and are recognized in profit or loss in the year of de-recognition.

3.4 Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest method' is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Interest income and expense presented in profit or loss include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on available-for-sale investment securities calculated on an effective interest basis.

3.5 Other liabilities

The Company recognises and measures other liabilities at amortized cost.

3.6 Share capital

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

3.7 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share (EPS) is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits/Personnel expenses

(a) Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the reporting date. Short term obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(b) Defined contribution

The Company operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio of 8% by the employee and 10% by the employer.

The contributions of 10% by the Company is recognised in the profit or loss in the period to which they relate, while Employees' contributions are funded through payroll deductions.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(d) Other long-term employee benefits

The Company's long term employee benefits relates to the long service awards scheme instituted for all employees. Under the scheme, employees are given cash award equivalent to a percentage of their basic salary depending on their length of service.

(e) Accounting for employee benefits/personnel expenses

All expenses are either accounted for on an accrual basis, or paid for as incurred.

3.10 Taxation

Income tax expense represents the sum of the tax charge for the period and deferred tax movement.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax

Deferred income tax is provided in full using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of any asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor the taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor the taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognised deferred income tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

The principal temporary differences arise from depreciation on property and equipment and tax losses carried forward.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity

4 Financial risk management

(a) Credit risk

Credit risk is defined as the potential for financial loss resulting from the failure of a borrower or counterparty to fulfil its financial or contractual obligations. Credit risk within the NMRC arises from Purchase with Recourse (PWR) business, investments and treasury/trading activities. The primary objective of credit risk management is to proactively manage risk and credit limits to ensure that all exposures to credit risks are kept within parameters approved by the Board to mitigate and withstand any potential losses. Investment activities are guided by internal credit policies and guidelines that are approved by the Board. Specific procedures for managing credit risks are determined at business levels based on risk environment and business goals. The Company's major exposure to credit risk emanates from its cash and cash equivalents, placements with banks, mortgage refinance loans, collateral on mortgage refinance loans, investment securities and other receivables.

(i) Exposure to credit risk

| <i>In thousands of Naira</i> | Note | 30 June 2025 | 31 December 2024 |
|------------------------------|------|--------------|------------------|
| Cash and cash equivalents | 5 | 222,532 | 427,282 |
| Placements with banks | 6 | 1,959,785 | 1,621,130 |
| Mortgage refinance loans | 7 | 22,880,913 | 24,003,598 |
| Investment securities | 8 | 58,507,351 | 57,923,659 |
| Other financial assets | 11 | 60,917 | 101,489 |

Collateral

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|------------------------------|--------------|------------------|
| Total loan exposure (gross) | 22,880,913 | 24,003,598 |
| Secured against real estate | 22,880,913 | 24,003,598 |
| Unsecured loan | - | - |

The cash and cash equivalents are held with the commercial banks and mortgage banks in Nigeria. The mortgage refinance loans are with the participating banks and the investment-securities are from the Federal Government of Nigeria.

(ii) Management of credit risk

The Board has delegated responsibility for the oversight of credit risk to its Board Credit Committee. The Board Credit Committee is responsible for managing the Company's credit risk, including the following:-

- Formulating credit policies in consultation with the Company's credit and risk department, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval of refinance loans. Authorisation limits are allocated to the Management Credit Committee, the Board Credit Committee or the full Board of Directors, as appropriate.
- Reviewing and assessing all credit exposures in excess of designated limits (as prescribed by the Mortgage Refinance Company Regulatory framework), and limiting concentrations of exposure to counterparties.

(iii) Credit risk on mortgage refinance loans

The Company is exposed to credit risk on its mortgage refinance loans. To mitigate the credit risk the Company enters into contractual arrangements with the participating mortgage banks, which typically contain the following structure:

- Under the arrangement, the participating mortgage bank is required to make agreed periodic minimum payments to the Company. These minimum payments need to be paid from proceeds that the participating mortgage banks receive on the refinanced portfolio from their clients and consist of the agreed interest between the Company and the participating mortgage banks and the (early) repayments the participating mortgage banks receive from their clients.
- If the proceeds from the clients of the participating mortgage bank on the refinanced portfolio are not sufficient to pay the agreed minimum payments, due to default or any other reason, the participating mortgage bank are required to pay the shortfall from their other available assets.
- In case the participating mortgage banks cannot or do not pay the agreed minimum payments, the Company is allowed to obtain the amounts due by, amongst others, executing the collateral as held by trustees or seize in another manner (cash) assets of the relevant participating mortgage bank.

The credit risk department monitors the Company's loan portfolio and ensures that participating mortgage banks comply with the requirements of the Refinancing Agreement and other supplementary contracts.

(iv) Collateral held and other credit enhancements

Collateral on all refinanced loans are held in trust. Participating mortgage banks have to ensure that the refinanced loan portfolio contains only performing loans backed by sufficient collateral. In the event that a default occurs, the Company retains the right to take ownership of the underlying collateral, or re-assign part or all of the loan facility to another mortgage bank.

The quality of collateral held is periodically reviewed by the Company.

(b) Currency risk

The Company is minimally exposed to the financial risk related to the fluctuation of foreign exchange rates. This is so because all transactions are based in Naira. A significant change in the exchange rates between the Naira (functional and presentation currency) relative to the US dollar would have an insignificant effect on the Company's financial position. The Company does not enter into any forward exchange contracts to manage the currency risk fluctuations.

(c) Market and liquidity risk

Market risk is defined as potential loss arising from movements of market prices and rates. NMRC's market risk exposure is limited to interest rate risk on its financial assets, particularly investments in Federal Government bonds and treasury bills. Liquidity risk arises when the NMRC does not have sufficient funds to meet its financial obligations when they fall due. The Company manages market and liquidity risks by imposing threshold limits which are approved by management within the parameters approved by the Board based on a risk-return relationship. It also adheres to a strict match-funding policy where all asset purchases are funded by bonds of closely matched size and duration, and are self-sufficient in terms of cash flow.

A forward looking liquidity mechanism is in place to promote efficient and effective cash flow management while avoiding excessive concentrations of funding in any one financial institution. Most of the Company's funds are tied up in investment securities issued by the Federal Government of Nigeria and money market placements with commercial banks, however the Company monitors every business transaction relating to its investments to ensure that available funds are sufficient to meet its business requirements at all times. Reserve liquidity, which comprises marketable debt securities, are also set aside to meet any unexpected shortfall in cash flow or adverse economic conditions in the financial market.

Interest rate risk

Interest rate risk arises from the possibility of a change in the value of assets and liabilities in response to changes in market interest rates. Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no financial instruments linked to variable interests, the risk that the Company will realise a loss as a result of any change in the fair value of financial assets or liabilities is thus immaterial. The Company has not entered into any derivative financial instrument to manage this risk.

(d) Capital management

The Nigeria Mortgage Refinance Company Plc is required to hold a minimum capital of N5 billion as determined by its regulator. The Mortgage Refinance Company is directly supervised by the Central Bank of Nigeria (CBN). Central Bank of The Nigeria Mortgage Refinance Company's regulatory capital includes:

- (i) Tier 1 capital, which includes paid-up share capital, share premium reserves, retained earnings, other reserves, published current earnings after deduction of goodwill, intangible assets and identified gains/losses or as otherwise defined by the
- (ii) Tier 2 capital, which includes other comprehensive income items. Tier 2 capital as defined by the Central Bank of Nigeria also includes subordinated debts and hybrid capital instruments.

The Nigeria Mortgage refinance Company shall maintain at all times a minimum ratio of qualifying capital to the value of its risk-weighted assets of not less than 10%.

Risk weighted assets are derived based on a two level pre-defined risk weights for different asset classes, specifically:

- 0% for cash and near cash equivalents and Federal Government securities
- 100% for all on-balance sheet exposures

The Company's capital adequacy ratio was 101% as at 30 June 2025 (31 December 2024: 9%) which was above CBN capital adequacy requirements of 10%.

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management discusses with the Audit Committee the development, selection and disclosure of the Company's critical accounting policies and their application and assumptions made relating to major estimation uncertainties. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed below.

These disclosures supplement the commentary on financial risk management.

Key sources of judgments

(i) Classification of financial assets

IFRS 9 requires that financial assets are classified as assets carried at amortized cost, fair value through profit or loss and fair value through other comprehensive income.

Under IFRS 9, equity instruments are to be classified as fair value through profit or loss unless the entity makes an irrevocable election to carry the equity instruments at fair value through other comprehensive income.

The classification decision for non-equity financial assets under IFRS 9 is dependent on two key criteria:

- The business model within which the asset is held (the business model test), and
- The contractual cash flows of the asset (the SPPI test).

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding requires judgment by the Company.

(ii) Determination of credit risk

IFRS 9 replaces the existing incurred loss model required in IAS 39 with a forward-looking ECL model. The Company is required to consider historic, current and forward-looking information (including macro-economic data).

The Company must determine whether a financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL require significant judgment.

Key sources of estimation uncertainty

(i) Determining expected credit losses (ECL)

Measurement uncertainty reflects those assumptions that are incorporated into the estimation of ECL. The key elements of estimation uncertainty relate to the forward-looking assumptions within the central macro-economic scenario together with how the impact of non-linearity has been reflected using multiple economic scenarios

Following the initial transition to IFRS 9, changes in expected credit loss provisions will be reported in the income statement within the impairment caption. The amounts reported may experience more volatility from period to period than that previously experienced under IAS 39 due to factors such as:

- Transfers to/from stage 1 and 2;
- Changes in portfolio mix, both in terms of clients and tenor of instruments offered;
- Changes in forward-looking macroeconomic variables.

In respect of the SICR thresholds, based on the portfolios as at 30 June 2025, the percentage of assets identified as stage 2 as well as the value of ECL for stage 2 was relatively insensitive to a change in thresholds.

A forecast macroeconomic downturn will have several impacts on ECL, including:

- Increasing PD, driving higher stage 1 and 2 ECL and potentially leading to a transfer of assets from stage 1 to stage 2.
- Changes in portfolio mix, both in terms of clients and tenor of instruments offered;
- Reducing collateral values will increase LGD.

This will particularly impact the ECL charge for long dated assets in stage 2. It is expected that the impact on ECL due to changing macro-economic environment will bring more volatility than the selection of the SICR thresholds.

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in the accounting policy on fair value. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(iii) Income Taxes

Significant estimates are required in determining the provision for income taxes. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Income taxes also include the judgement on whether to recognise deferred tax assets. This is based on the assessment of if and when future taxable profits will be realized to utilise the tax losses carried forward.

5 Cash and cash equivalents

| | 30 June 2025 | 31 December 2024 |
|----------------------------------|----------------|------------------|
| <i>In thousands of Naira</i> | | |
| Balances with banks | 222,532 | 427,282 |
| Money market placements | - | - |
| Cash and cash equivalents | 222,532 | 427,282 |

6 Placements with banks

| | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| <i>In thousands of Naira</i> | | |
| Placements with banks | 1,959,785 | 1,621,130 |
| Impairment loss allowance (see note (a) below) | - | - |
| | 1,959,785 | 1,621,130 |
| <i>Current</i> | 1,959,785 | 1,621,130 |
| <i>Non-current</i> | - | - |
| | 1,959,785 | 1,621,130 |

(a) Impairment loss allowance

| | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| <i>In thousands of Naira</i> | | |
| Balance, beginning of period | - | 750 |
| (Writeback)/Impairment during the period | - | (750) |
| Balance, end of the period | - | - |

7 Mortgage refinance loans

| | 30 June 2025 | 31 December 2024 |
|---|-------------------|-------------------|
| <i>In thousands of Naira</i> | | |
| Loans and advances | 22,992,082 | 24,003,598 |
| IFRS 9 Impairment loss allowance (see note (a) below) | (111,170) | (111,170) |
| loans and advances at amortized cost | 22,880,913 | 23,892,428 |
| <i>Current</i> | 3,427,117 | 4,284,891 |
| <i>Non-current</i> | 19,453,796 | 19,607,537 |
| | 22,880,913 | 23,892,428 |

(a) Impairment loss allowance

| | 30 June 2025 | 31 December 2024 |
|---|----------------|------------------|
| <i>In thousands of Naira</i> | | |
| Balance, beginning of the period | 111,170 | 158,898 |
| Impairment/(Write back) during the period | (0) | (47,728) |
| Balance, end of the period | 111,170 | 111,170 |

(b) Nature of security in respect of mortgage refinance loans

| | 30 June 2025 | 31 December 2024 |
|-----------------------------------|-------------------|-------------------|
| <i>In thousands of Naira</i> | | |
| Secured against real estate | 22,992,082 | 24,003,598 |
| Unsecured | - | - |
| Balance, end of the period | 22,992,082 | 24,003,598 |

8 Investment securities

(a) Analysis of investments

| | 30 June 2025 | 31 December 2024 |
|---|--------------|---------------------|
| <i>In thousands of Naira</i> | | |
| <i>FVOCI investment securities:</i> | | |
| Federal Government of Nigeria Bonds | 2,730,644 | 2,636,013 |
| Treasury bills | 831,021 | 175,059 |
| Unquoted equity instrument | 10,000 | 10,000 |
| | 3,571,665 | 2,821,072 |
| <i>Investment securities at amortised cost:</i> | | |
| Federal Government of Nigeria Bonds | 55,017,000 | 55,112,588 |
| Treasury bills | - | - |
| Impairment loss allowance (see note (i) below) | (81,314) | (81,314) |
| | 54,935,686 | 55,031,274 |
| | 58,507,351 | 57,852,346 |

Included in these investments are securities held with respect to the Housing Market Development Fund liability (See note 12(a)(ii)).

Current

| | 30 June 2025 | 31 December 2024 |
|---|--------------|---------------------|
| <i>In thousands of Naira</i> | | |
| FVOCI securities | 2,423,749 | 578,119 |
| Investment securities at amortised cost | - | 7,802,634 |
| | 2,423,749 | 8,380,753 |

Non-current

| | 30 June 2025 | 31 December 2024 |
|---|--------------|---------------------|
| <i>In thousands of Naira</i> | | |
| FVOCI securities | 1,147,916 | 2,242,953 |
| Investment securities at amortised cost | 54,935,686 | 47,228,640 |
| | 56,083,602 | 49,471,593 |
| | 58,507,351 | 57,852,346 |

(i) Impairment loss allowance

| | 30 June 2025 | 31 December 2024 |
|-----------------------------------|---------------|---------------------|
| <i>In thousands of Naira</i> | | |
| Balance, beginning of the period | 81,313 | 79,017 |
| Impairment during the period | - | 2,296 |
| Balance, end of the period | 81,313 | 81,313 |

(b) Movement in investment securities

The movement in investment securities for the Company may be summarised as follows:

| | FVOCI instruments | 30 June 2025 Instruments at amortised cost | Total |
|--|----------------------|---|-------------|
| At 1 January | 2,821,072 | 55,031,274 | 57,852,345 |
| Impairment loss | - | - | - |
| Interest income | 314,047 | 3,228,563 | 3,542,610 |
| Interest received | (498,201) | (3,324,152) | (3,822,353) |
| Net (sale)/purchase of investment | 840,165 | - | 840,165 |
| Gains from changes in fair value recognised in other comprehensive income (see note 14(d)) | 94,581 | - | 94,581 |
| | 3,571,665 | 54,935,686 | 58,507,349 |
| | | | |
| | FVOCI instruments | 31 December 2024 Instruments at amortised cost | Total |
| At 1 January, 2024 | 3,168,379 | 55,231,867 | 58,400,246 |
| Impairment loss | - | (2,296) | (2,296) |
| Interest income | 521,515 | 6,553,791 | 7,075,306 |
| Interest received | (513,415) | (6,752,088) | (7,265,503) |
| Net (sale)/purchase of investment | 55,844 | - | 55,844 |
| Gains from changes in fair value recognised in other comprehensive income (see note 14(d)) | (411,251) | - | (411,251) |
| | 2,821,072 | 55,031,274 | 57,852,346 |

9 Property and equipment

| <i>In thousands of Naira</i> | Computer Equipment | Office Equipment | Freehold Improvements | Furniture and Fittings | Motor Vehicle | Plant and Machinery | Building | Land | Capital Work- in-progress | Total |
|------------------------------|-----------------------|---------------------|--------------------------|---------------------------|------------------|------------------------|----------|---------|------------------------------|-----------|
| Cost | | | | | | | | | | |
| At 1 January 2025 | 472,266 | 18,897 | 75,081 | 32,586 | 86,609 | 13,226 | 39,000 | 293,720 | 31,449 | 1,062,834 |
| Additions | 14,309 | 1,330 | 25,362 | 9,710 | 13,163 | - | - | - | 71,214 | 135,089 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | - | - | - | - |
| At 30 June 2025 | 486,575 | 20,227 | 100,443 | 42,296 | 99,772 | 13,226 | 39,000 | 293,720 | 102,663 | 1,197,923 |
| At 1 January 2024 | 279,475 | 18,897 | 75,081 | 32,101 | 215,857 | 13,226 | 39,000 | 293,720 | 38,700 | 1,006,057 |
| Additions | 94,417 | - | - | 485 | 33,525 | - | - | - | 138,369 | 266,796 |
| Disposals | (8,547) | - | - | - | (162,773) | - | - | - | - | (171,320) |
| Reclassifications | 106,920 | - | - | - | - | - | - | - | (145,620) | (38,700) |
| At 31 December 2024 | 472,266 | 18,897 | 75,081 | 32,586 | 86,609 | 13,226 | 39,000 | 293,720 | 31,449 | 1,062,834 |
| Depreciation | | | | | | | | | | |
| At 1 January 2025 | 285,808 | 17,161 | 67,317 | 28,502 | 26,789 | 13,226 | 4,806 | - | - | 443,609 |
| Charge for the period | 39,941 | 831 | 10,889 | 4,570 | 12,616 | - | 390 | - | - | 69,238 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| At 30 June 2025 | 325,749 | 17,992 | 78,206 | 33,072 | 39,405 | 13,226 | 5,196 | - | - | 512,847 |
| At 1 January 2024 | 248,744 | 15,828 | 48,666 | 20,572 | 160,806 | 13,226 | 4,026 | - | - | 511,868 |
| Charge for the year | 42,138 | 1,333 | 18,651 | 7,930 | 20,227 | - | 780 | - | - | 91,059 |
| Disposals | (5,074) | - | - | - | (154,244) | - | - | - | - | (159,318) |
| At 31 December 2024 | 285,808 | 17,161 | 67,317 | 28,502 | 26,789 | 13,226 | 4,806 | - | - | 443,609 |
| Net book value | | | | | | | | | | |
| At 30 June 2025 | 160,827 | 2,235 | 22,237 | 9,224 | 60,367 | 0 | 33,804 | 293,720 | 102,663 | 685,076 |
| At 31 December 2024 | 186,459 | 1,736 | 7,765 | 4,084 | 59,820 | (0) | 34,194 | 293,720 | 31,449 | 619,227 |

- (i) The Company had no capital commitments and no assets pledged as security for borrowings as at 30 June 2025 (31 December 2024: Nil)
- (ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the period (31 December 2024: Nil)

10 Intangible assets

| <i>In thousands of Naira</i> | Computer Software |
|------------------------------|--------------------------|
| Cost | |
| At 1 January 2025 | 129,887 |
| Additions | - |
| At 30 June 2025 | 129,887 |
| At 1 January 2024 | 91,187 |
| Additions | 38,700 |
| At 31 December 2024 | 129,887 |
| Amortization | |
| At 1 January 2025 | 96,058 |
| Charge for the period | 5,473 |
| At 30 June 2025 | 101,531 |
| At 1 January 2024 | 88,320 |
| Charge for the year | 7,738 |
| At 31 December 2024 | 96,058 |
| Net book value | |
| At 30 June 2025 | 28,356 |
| At 31 December 2024 | 33,829 |

- (i) The Company had no commitments relating to the acquisition of intangible assets as at 30 June 2025 (31 December 2024: Nil)
- (ii) There were no capitalized borrowing costs related to the acquisition of intangible assets during the period (31 December 2024: Nil)

11 Other assets

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|--------------------------------------|---------------------|-------------------------|
| <i>Non financial assets:</i> | | |
| Prepaid staff benefits | 131,004 | 44,276 |
| Other prepaid expenses | 238,783 | 80,040 |
| Other borrowing cost (see (a) below) | 543,313 | 445,984 |
| WHT Receivable | 44,875 | 76,309 |
| | 957,975 | 646,609 |
| <i>Financial assets:</i> | | |
| Staff loans and advances | 16,287 | 19,588 |
| Investment in NMGC (see (b) below) | 26,746 | 26,746 |
| Other receivables | 18,426 | 55,155 |
| | 61,458 | 101,489 |
| Impairment on other assets | (541) | (541) |
| | 60,917 | 100,948 |
| | 1,018,892 | 747,557 |
| <i>Current</i> | 1,018,892 | 747,557 |
| <i>Non-current</i> | - | - |
| | 1,018,892 | 747,557 |

(a) This represents commitment fee for a long term funding facility from a development finance institution.

(b) This represents NMRC's seed capital contribution towards the establishment of the Nigeria Mortgage Guaranty Company. The establishment of the company is a key component of the National Housing Finance Program which is being coordinated by the Central Bank of Nigeria.

12 (a) Debt securities issued

| | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| <i>In thousands of Naira</i> | | |
| Fixed rate debt security issued at amortized cost (see note (i) below) | 16,628,690 | 17,973,980 |
| | 16,628,690 | 17,973,980 |
| <i>Current</i> | 2,897,147 | 1,341,478 |
| <i>Non-current</i> | 13,731,543 | 16,632,502 |
| | 16,628,690 | 17,973,980 |

(i) Debt securities issued comprises of the following fixed rate bond issuances:

| Series | Issue size | Rate | Issue date | Maturity date |
|--------|-------------|--------|------------|---------------|
| 1 | ₦8 billion | 14.90% | 29-Jul-15 | 29-Jul-30 |
| 2 | ₦11 billion | 13.80% | 21-May-18 | 15-Mar-33 |
| 3 | ₦10 billion | 7.20% | 02-Nov-20 | 02-Nov-27 |

The bonds were issued under the Company's N440 billion Medium Term Note programme. Interest and principal are payable on a quarterly basis.

(ii) The debt securities issued by the Company are backed by the unconditional guarantee of the Federal Government of Nigeria. According to the guarantee agreement, 10% of the company's profit after tax will be set aside for market development programs to be agreed by both parties.

(b) Borrowings

| | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| <i>In thousands of Naira</i> | | |
| Borrowings from FGN (see note (i) below) | 36,434,115 | 36,806,320 |
| | 36,434,115 | 36,806,320 |
| <i>Current</i> | 1,321,869 | 2,341,252 |
| <i>Non-current</i> | 35,112,247 | 34,465,068 |
| | 36,434,115 | 36,806,320 |

(i) Borrowings from FGN represents a 40-year International Development Agency (IDA) facility granted to the Federal Republic of Nigeria for the funding of the Housing Finance Programme.

This was received by Nigeria Mortgage Refinance Company Plc through the Central Bank of Nigeria (CBN) in three tranches, the first was received on 27 June 2014, the second on 3 July 2015 and the third on 12 October 2018. The purpose of the loan is to establish a mortgage liquidity facility.

The loan is recognised at amortized cost.

13 Other liabilities

| | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| <i>In thousands of Naira</i> | | |
| <i>Non-financial liabilities</i> | | |
| Accrued professional fees | 55,247 | 46,509 |
| Withholding tax payable | 6,610 | 9,922 |
| Accrued contribution towards market development (see note 12(a)(ii)) | 2,735,635 | 2,560,536 |
| Accrued Directors expenses | 1,144 | - |
| ITF payable | 4,081 | 9,543 |
| | 2,802,717 | 2,626,510 |
| <i>Financial liabilities</i> | | |
| Pension contribution payable | 0 | (0) |
| Performance bonus payable to employees | 142,588 | 167,360 |
| Other account payable | 204,294 | 212,177 |
| Sundry creditors | 37,615 | 110,791 |
| | 384,497 | 490,328 |
| | 3,187,214 | 3,116,837 |
| <i>Current</i> | 3,187,214 | 3,116,837 |
| <i>Non-Current</i> | - | - |
| | 3,187,214 | 3,116,837 |

14 Capital and reserves

(a) Share capital and share premium

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| (i) <i>Authorised:</i> | | |
| 2,125,444,427 ordinary shares of N1.00 each | 2,125,444 | 2,125,444 |
| (ii) <i>Issued and fully paid:</i> | | |
| 2,125,444,000 ordinary shares of N1.00 each | 2,125,444 | 2,125,444 |
| | 2,125,444 | 2,125,444 |
| (iii) <i>Share premium</i> | | |
| Share Premium is the excess paid by shareholders over the nominal value of their shares. | | |
| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
| Balance at beginning | 5,925,232 | 5,925,232 |
| | 5,925,232 | 5,925,232 |
| Share capital and share premium | 8,050,676 | 8,050,676 |

(b) Retained earnings

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|---|--------------|------------------|
| Balance, beginning of the period | 14,340,480 | 13,008,738 |
| Transfer from statement of comprehensive income | 1,708,561 | 3,682,189 |
| Transfer to statutory reserve | (256,284) | (552,328) |
| Transfer from/(to) regulatory risk reserve | 10,115 | (34,000) |
| Payment of dividend | - | (1,764,119) |
| Balance, end of period | 15,802,871 | 14,340,480 |

(c) Statutory reserve

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| Balance, beginning of the period | 5,048,249 | 4,495,921 |
| Transfer from retained earnings (see note (i) below) | 256,284 | 552,328 |
| Balance, end of the period | 5,304,533 | 5,048,249 |

(i) In line with the Central Bank's regulatory framework for Mortgage refinance companies, the Company is required to maintain a reserve fund and transfer a minimum of 30% of its net profits into the reserve account (where the reserve fund is less than the paid up share capital) or a minimum of 15% of its net profits (where the reserve fund is equal to or more than the paid up share capital).

(d) Fair value reserve

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|---|--------------|------------------|
| Balance, beginning of the period | (380,715) | 32,035 |
| Fair value gain/(loss) for the period (see note (i) below) | 94,581 | (411,251) |
| Net remeasurement of ECL loss allowance on FVOCI debt instruments | - | (1,499) |
| Balance, end of the period | (286,134) | (380,715) |

(i) Fair value reserves represent the difference between the amortized cost of the Company's FVOCI financial assets and the market value of those assets, as well as the impairment allowance on FVOCI financial assets. The difference is recognized in the statement of other comprehensive income and transferred to profit or loss upon derecognition of the financial asset. The transactions are not subject to tax and so there was no tax impact.

15 Interest income

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|-------------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Cash and cash equivalents | 77 | - | 77 | 5,634 |
| Placements with banks | 111,064 | 92,436 | 205,762 | 165,375 |
| Mortgage refinance loans | 694,076 | 723,209 | 1,418,675 | 1,517,195 |
| Treasury bills | 59,712 | 44,378 | 99,932 | 70,977 |
| Federal government of Nigeria bonds | 1,720,356 | 1,775,597 | 3,422,678 | 3,473,483 |
| | 2,585,285 | 2,635,618 | 5,147,124 | 5,232,664 |

16 Interest expense

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Interest expense on borrowings | 389,432 | 395,748 | 773,953 | 821,094 |
| Interest expense on debt securities issued | 564,572 | 628,372 | 1,141,993 | 1,279,422 |
| | 954,004 | 1,024,120 | 1,915,946 | 2,100,517 |

17 Other income

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|----------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Gain on disposal of fixed assets | - | (325) | - | 606 |
| Sale of non-PPE items (scrap) | 400 | 606 | 864 | (278) |
| | 400 | 281 | 864 | 328 |

18 Personnel expenses

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|---------------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Salaries and allowances | 195,934 | 173,405 | 391,761 | 345,260 |
| Defined contribution plan | 6,369 | 4,596 | 22,601 | 19,011 |
| Group Life Assurance | 3,565 | 2,999 | 6,772 | 5,998 |
| Other staff cost (See note (a) below) | 84,130 | 91,167 | 172,286 | 179,955 |
| | 289,997 | 272,168 | 593,421 | 550,224 |

(a) Other staff cost is made up of other short term employee costs such as health insurance, overtime allowances, statutory payroll contributions and accruals for the company's performance incentive plan.

19 Other operating expenses

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|---------------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Service charge/Legal fees | 52 | 4,106 | 649 | 6,876 |
| ITF Levy | 2,700 | 2,538 | 5,426 | 5,220 |
| NSITF | 1,000 | 1,523 | 3,117 | 5,373 |
| General admin expenses | 16,628 | 24,669 | 36,553 | 40,366 |
| Audit fee | 10,750 | 8,887 | 21,500 | 17,589 |
| Custody fees | 7,271 | 16,142 | 13,542 | 22,970 |
| Bank charges | 1,364 | 682 | 2,767 | 2,709 |
| Utility and electricity | 9,428 | 9,274 | 18,366 | 17,434 |
| Advertisement | 5,867 | 4,466 | 18,862 | 7,254 |
| Insurance | 2,977 | 2,784 | 7,500 | 6,511 |
| IT cost | 58,348 | 46,232 | 118,013 | 87,516 |
| Professional fees | 33,995 | 23,195 | 76,670 | 43,860 |
| Stationery and printing | 611 | 177 | 1,512 | 177 |
| Recruitment expense | 37 | 187 | 110 | 442 |
| Corporate gifts and branding | 20,128 | 14,498 | 48,173 | 29,819 |
| Subscription expenses | 7,594 | 15,422 | 32,452 | 24,612 |
| Annual general meeting expenses | 6,250 | 5,798 | 12,500 | 10,252 |
| Corporate Social Responsibility (CSR) | 8,750 | 9,205 | 17,500 | 16,591 |
| Directors fees | 17,542 | 15,505 | 35,084 | 29,317 |
| Business travel expenses | 10,682 | 3,929 | 24,580 | 16,654 |
| Hotel accommodation expenses | 86 | 11 | 86 | 280 |
| Conferences | 108 | 803 | 129 | 1,295 |
| Other directors expenses | 72,011 | 59,538 | 120,378 | 117,334 |
| Training | 1,958 | 6,689 | 11,955 | 6,797 |
| Sponsorship | 3,833 | 12,038 | 9,583 | 15,038 |
| Guarantee fee (see note 12(a)(ii)) | 91,400 | 94,428 | 175,099 | 188,146 |
| | 391,369 | 382,725 | 812,105 | 720,455 |

20 Taxation

(a) Income tax expense

(i) Recognised in profit or loss

| <i>In thousands of Naira</i> | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Company income tax | 22,066 | 22,898 | 43,246 | 46,122 |
| Total income tax expense | 22,066 | 32,249 | 43,246 | 46,122 |

(b) Current tax liabilities

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

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|----------------------------------|--------------|------------------|
| Balance, beginning of the period | 109,106 | 107,159 |
| Charge for the period | 43,246 | 90,172 |
| Tax paid | (90,164) | (88,225) |
| Balance, end of the period | 62,188 | 109,106 |

21 Earnings per share (Basic and diluted)

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Weighted average number of ordinary shares

| <i>In thousands of units of shares</i> | | Shares Outstanding | Period Covered | Weighted shares |
|--|-------|-----------------------|-------------------|-----------------|
| Number of Shares at the beginning of each period | 14(a) | 2,125,444 | 1.00 | 2,125,444 |
| Number of Shares at the end of the period | 14(a) | 2,125,444 | 1.00 | 2,125,444 |

| | Quarter ended 30 June 2025 | Quarter ended 30 June 2024 | Year-to-date 30 June 2025 | Year-to-date 30 June 2024 |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Profit attributable to equity holders | | | | |
| Profit attributable to equity holders | 891,936 | 912,249 | 1,708,561 | 1,776,276 |
| Earnings per share (kobo) | 42 | 43 | 80 | 84 |

(b) The Company does not have any dilutive potential ordinary shares. Therefore, basic earnings per share and diluted earnings per share are the same.

22 Contravention of laws and regulations

The Company did not pay any penalties in respect of contraventions of the provisions Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars during the period ended 30 June 2025 (31 December 2024: Nil)

23 Statement of prudential adjustments

(i) Loans and advances to customers

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|---|--------------|------------------|
| ECL impairment allowance on mortgage refinance loans | 8 (b) | 111,170 |
| Total impairment allowance on mortgage refinance loans (a) | 111,170 | 111,170 |
| Total impairment based on prudential guidelines (b) | 229,921 | 240,036 |
| Difference (c) = a - b | (118,751) | (128,866) |

The Company did not make additional transfer to the regulatory risk reserve during the period because the balance in the regulatory risk reserve was sufficient to cover the difference between IFRS 9 impairment allowance and impairment based on prudential guidelines.

24 Statement of Cashflow workings

(a) Changes in Mortgage refinance loans

| <i>In thousands of Naira</i> | 30 June 2025 | 31 December 2024 |
|--|--------------|------------------|
| Gross mortgage refinance loans at the beginning of the period/year | 23,892,428 | 25,217,498 |
| Interest income | 1,418,675 | 2,969,789 |
| Interest received | (1,429,056) | (3,029,185) |
| Impairment (loss)/writeback | - | 47,728 |
| Gross Mortgage refinance loans at the end of the period/year | (22,880,913) | (23,892,428) |
| Gross movement in Mortgage refinance loans | (1,001,134) | 1,313,402 |
| Amount recognized in cash flow | (1,001,134) | 1,313,402 |

(b) Net change in placements with banks

| | | 30 June 2025 | 31 December 2024 |
|--|---|------------------|------------------|
| <i>In thousands of Naira</i> | | | |
| Placements at the beginning of the period/year | 6 | 1,621,130 | 1,813,404 |
| Interest income | | 205,762 | 385,692 |
| Interest received | | (209,877) | (393,406) |
| Impairment (charge)/writeback | | | 750 |
| Placements at the end of period/year | 6 | (1,959,785) | (1,621,130) |
| Cash (outflow)/inflow | | (342,770) | 185,310 |

(c) Changes in other assets

| | | 30 June 2025 | 31 December 2024 |
|---|----|------------------|------------------|
| <i>In thousands of Naira</i> | | | |
| Balance at the end of the period/year | 11 | (1,018,892) | (747,557) |
| Impairment of receivables | 12 | - | - |
| Balance at the beginning of the period/year | 11 | 747,557 | 245,016 |
| Net cash received on other assets | | (271,335) | (502,541) |

(d) Changes in other liabilities

| | | 30 June 2025 | 31 December 2024 |
|---|----|---------------|------------------|
| <i>In thousands of Naira</i> | | | |
| Balance at the end of the period/year | 13 | 3,187,214 | 3,116,838 |
| Balance at the beginning of the period/year | 13 | (3,116,837) | (2,646,329) |
| Net cash paid on other liabilities | | 70,377 | 470,509 |

(e) Interest received

| | | 30 June 2025 | 31 December 2024 |
|---|----|--------------------|---------------------|
| <i>In thousands of Naira</i> | | | |
| Total interest receivable in prior year | | 135,010,625 | 113,880,477 |
| Interest income in current period | 16 | 5,147,124 | 10,436,421 |
| | | 140,157,749 | 124,316,898 |
| Total interest receivable in current period | | (3,822,353) | (135,010,625) |
| Interest received | | (5,752,022) | (10,693,728) |

(f) Repayment of borrowings and debt securities

| | | 30 June 2025 | 31 December 2024 |
|---|--|--------------|------------------|
| <i>In thousands of Naira</i> | | | |
| Total payable in prior year | | | |
| - Debt securities | | 17,973,980 | 20,391,537 |
| - Borrowings | | 36,806,320 | 38,586,370 |
| Interest paid in current period/year | | (1,904,091) | (3,801,069) |
| Principal repaid in current period/year | | (1,344,165) | (4,523,680) |
| Interest expense in current period/year | | 1,915,946 | 4,127,138 |
| | | 53,447,990 | 54,780,300 |
| Total payable in current period/year | | | |
| - Debt securities | | (16,628,690) | (17,973,980) |
| - Borrowings | | (36,434,115) | (36,806,320) |
| Amount (received)/paid | | - | - |
| Principal repaid | | | |
| - Debt securities | | (1,344,165) | (2,701,986) |
| - Borrowings | | (373,904) | (1,821,694) |
| Total principal repaid | | (1,718,069) | (4,523,680) |
| Interest paid | | | |
| - Debt securities | | (1,127,047) | (2,223,646) |
| - Borrowings | | (777,044) | (1,577,423) |
| Total interest paid | | (1,904,091) | (3,801,069) |

(g) Profit on disposal of property and equipment

| | | 30 June 2025 | 31 December 2024 |
|------------------------------|---|--------------|------------------|
| <i>In thousands of Naira</i> | | | |
| Cost | 9 | - | 171,320 |
| Accumulated depreciation | 9 | - | (159,318) |
| NBV | | - | 12,002 |
| Sales proceed | | - | 20,862 |
| Profit on disposal | | - | 8,860 |

25 Events after the reporting date

There are no events that require disclosure or recognition in the financial statement of the Company.