



Annual Report & Accounts 2024



YEARS OF IMPACT



OUR VISION & MISSION

OUR VISION

To be the dominant housing partner in Nigeria.



OUR MISSION

To remove barriers to home ownership, provide liquidity, affordability, accessibility and stability to the housing market in Nigeria.

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Corporate Information

Directors

Yemi Adeola	Chairman
Kehinde Ogundimu	Managing Director
*Olufunke Aboyade, SAN, FCI Arb	Non-Executive Director (Independent)
**Bolaji Agbede	Non-Executive Director
*Markie Idowu, PhD	Non-Executive Director (Independent)
Olufemi Johnson, DBA	Non-Executive Director
Olabanjo Obaleye, DBA	Non-Executive Director
*Armstrong Takang, PhD	Non-Executive Director
Aminu Umar- Sadiq	Non-Executive Director

* Appointment was approved by the CBN on 24 April 2024

** Appointment was approved by the CBN on 29 July 2024



Corporate Office

17, Sanusi Fafunwa Street
Victoria Island
Lagos



Company Secretary

Tochukwu Kelly Mogbo
17, Sanusi Fafunwa Street
Victoria Island, Lagos



Registration Number

RC1123944



Contact Information

Website: www.nmrc.com.ng
Email: info@nmrc.com.ng
Tel: +2349087628273



Tax Identification Number

17836949-0001



Auditors

PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Road,
Oniru, Lagos
Tel +234 1 271700
www.pwc.com/ng

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting ("AGM") of members of Nigeria Mortgage Refinance Company PLC (the "Company") will hold at Aora Hall, Eko Hotel and Suites, Adetokunbo Ademola Street, Victoria Island, Lagos on Wednesday, 30th July 2025 at 10.00 a.m. to transact the following:

ORDINARY BUSINESS

1. To lay before the Company in general meeting, the Audited Financial Statements for the year ended December 31, 2024, together with the Reports of the Auditors, the Directors and the Statutory Audit Committee, as well as the report of the external consultants on the annual evaluation of the Board of Directors thereon
2. To declare a dividend.
3. To re-elect the following as Directors:
 - a. Dr. Olabanjo Obaleye
 - b. Dr. Armstrong Takang
 - c. Mr. Aminu Umar-Sadiq
4. To approve the appointment of Ms. Bolaji Agbede as Director.
5. To disclose the remuneration of managers.
6. To re-appoint PricewaterhouseCoopers (PwC) as External Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.
7. To authorise the Directors to fix the remuneration of the Auditors.
8. To appoint members of the Audit Committee

NOTES

1. PROXY

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in its stead. A proxy form is attached to this Notice and can also be downloaded from the company's website at www.nmrc.com.ng. All proxy forms should be deposited at the office of the Registrars, **Meristem Registrars & Probate Services Limited, 213 Herbert Macaulay Way, Adekunle Yaba, Lagos**, or forwarded via email to info@meristemregistrars.com, copying tsodipo@nmrc.com.ng not later than 48 hours prior to the time of the meeting. The Company undertakes to bear the responsibility for stamping the proxy form at the Stamp Duties Office.

2. ELECTRONIC INFORMATION

Relevant documents in connection with the meeting are available to all Shareholders from the date of this notice on the Company's website www.nmrc.com.ng.

3. DIVIDEND

If the proposed dividend recommended by the Directors is approved by the members at the Annual General Meeting ("AGM"), the dividend will be payable by Thursday, 31st July 2025 or soon thereafter, at the rate of 83 kobo for every ordinary share of N1.00, to Shareholders whose names appear in the Register of Members at the close of business on Wednesday, 23rd July 2025. Shareholders who have completed the e-Dividend Mandate forms will receive a direct credit of the dividend into their bank accounts.

4. CLOSURE OF REGISTER OF MEMBERS

In accordance with Section 114 of the Companies and Allied Matters Act, 2020, please note that the Register of Members of the Company will be closed on Thursday, 24th July 2025 to Monday, 28th July 2025 (both dates inclusive) to enable the Registrars update the records in preparation for the payment of dividend.

5. E-DIVIDEND MANDATE

Shareholders are kindly requested to update their records and advise the Registrars, **Meristem Registrars and Probate Services Limited** of their updated records and relevant bank account information for payment of their dividends. Detachable forms in respect of the mandate for e-dividend payment and Shareholder data update are attached to the Annual Report for convenience. The forms can also be downloaded from the Company's website at www.nmrc.com.ng.

The duly completed form should be delivered to **Meristem Registrars and Probate Services Limited at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos** or submitted electronically by following this link: <https://docuhub3.nibss-plc.com.ng/edmmms/self-service>.

6. VOTING

On a show of hands, every member present in person or proxy shall have one vote and, on a poll, every member shall have one vote for every share that it holds.

7. AUDIT COMMITTEE

The Audit Committee consists of three Shareholders' and two Directors' representatives respectively. In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any Shareholder may nominate a Shareholder

representative for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the AGM. The Companies and Allied Matters Act 2020 requires that members of the Audit Committee have financial literacy and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Consequently, a detailed resume of candidates should be submitted with each nomination.

8. RETIREMENT/RE-ELECTION OF DIRECTORS

Dr. Olabanjo Obaleye, Dr. Armstrong Takang and Mr. Aminu Umar-Sadiq are retiring at the AGM in line with Section 285 of the Companies and Allied Matters Act, 2020. The retiring Directors, being eligible, are offering themselves for re-election as Directors at the AGM.

9. RIGHT TO ASK QUESTIONS

Members have a right to ask questions on their observations or concerns arising from the 2024 Annual Report and Accounts, not only at the meeting, but also in writing prior to the meeting, provided that such questions in writing are submitted not later than 28th July 2025.

Dated the 3rd day of July 2025

BY ORDER OF THE BOARD



Tochukwu K. Mogbo
Company Secretary



Nigeria Mortgage Refinance Company
(Licensed by the Central Bank of Nigeria)



We support
banks to make
Homeownership
Possible

Results at a Glance

In thousands of Naira

	31 December 2024	31 December 2023
Gross Earnings	10,450,347	10,327,226
Net Interest Income	6,309,283	5,914,324
Profit Before Tax	3,772,361	3,640,595
Total Liabilities	58,006,243	61,731,395
Refinanced Loans	23,892,428	25,217,498
Shareholders' Funds	27,187,556	25,682,236
Total Assets	85,193,799	87,413,631

Gross Earnings

31 December 2024

10,450,347



31 December 2023

10,327,226

Net Interest Income

31 December 2024

6,309,283



31 December 2023

5,914,324

Profit Before Tax

31 December 2024

3,772,361



31 December 2023

3,640,595

Total Liabilities

31 December 2024

58,006,243



31 December 2023

61,731,395

Refinanced Loans

31 December 2024

23,892,428



31 December 2023

25,217,498

Shareholders' Funds

31 December 2024

27,187,556



31 December 2023

25,682,236

Total Assets

31 December 2024

85,193,799



31 December 2023

87,413,631



“

Dear Esteemed Shareholders,

It is with deep honour and a profound sense of responsibility that I welcome you to the 11th Annual General Meeting of the Nigeria Mortgage Refinance Company PLC (NMRC), where we shall review the Annual Report and Financial Statements for the year ended December 31, 2024.

”

YEMI ADEOLA
Chairman

Chairman's Statement

NAVIGATING MACROECONOMIC CHALLENGES

The year 2024 was marked by significant economic headwinds, both globally and domestically. Persistent inflationary pressures, fluctuating exchange rates, and evolving monetary policies posed challenges to financial institutions and the broader economy. Despite these adversities, NMRC remained resolute in its mission to enhance liquidity in the mortgage market and promote affordable homeownership across Nigeria.

FINANCIAL PERFORMANCE

In alignment with our strategic objectives, NMRC achieved several key milestones for the financial year ended December 31, 2024. Gross Earnings increased by 1.19%, from N10.32 billion in 2023 to N10.45 billion in 2024. Net Interest Income grew by 6.8%, driven by the combined effect of higher interest income and reduced interest expenses.

While operating expenses increased by 12% — from N2.27 billion in 2023 to N2.55 billion in 2024 — due to inflationary pressures, effective cost containment measures ensured that Profit Before Tax (PBT) advanced by 3.6%, from N3.64 billion in 2023 to N3.77 billion in 2024.

Shareholder value continued to improve with Earnings Per Share (EPS) rising to N1.73, compared to N1.67 achieved in 2023.

Overall, NMRC delivered a robust financial performance, with all key indices remaining strong, reflective of the company's resilience and strategic focus.

STRATEGIC MILESTONE

To further address the liquidity gap in Nigeria's mortgage market, NMRC partnered with MiDA Advisors and Standard Bank Group to structure a \$228 million blended finance transaction, comprising a \$200 million facility from the U.S. International Development Finance Corporation (DFC) and \$28 million from local financial markets.

The facility will be deployed through primary lending institutions (Mortgage Banks (PMBs) and Commercial Banks) to refinance and pre-finance mortgage loans nationwide. Notably, it prioritises financial inclusion, allocating 20% to informal and low-income borrowers and 40% to mortgages underwritten for women.

This landmark transaction reinforces NMRC's role as a catalyst in the housing finance sector and affirms the confidence of international partners in our capacity to deliver impactful, long-term financing solutions that address Nigeria's housing deficit, while promoting inclusive economic growth.

GOVERNANCE AND STAKEHOLDER ENGAGEMENT

NMRC's operations continue to be underpinned by strong governance structures and an unwavering commitment to transparency and accountability. In 2024, we further deepened our stakeholder engagements with regulators, investors, the communities we serve, and fortified our governance ethos. The annual board evaluation conducted by DCSL Corporate Services Limited once again affirmed the Board's effectiveness, strategic oversight, and adherence to best practices.

Following the unfortunate passing of our dear Director, Dr. Herbert Wigwe, on February 9, 2024, the Board appointed Ms Bolaji Agbede as a Non-Executive Director to fill the vacancy occasioned by this loss. Ms Agbede brings with her over 27 years of experience spanning human resources, banking operations, and strategic transformation. Currently serving as the Acting Group Chief Executive Officer of Access Holdings Plc, she has led complex integrations and organisational culture reforms with distinction.

Her appointment has received the necessary regulatory approvals and will be presented for shareholder ratification at this Annual General Meeting.

OUTLOOK FOR 2025

Looking ahead, several global and domestic indicators are expected to influence the operating environment for NMRC. This includes:

- **Global Economic Trends:** Persistent inflationary pressures and tighter monetary policies from major central banks such as the U.S. Federal Reserve and the European Central Bank may influence capital flows and foreign investment in Nigeria. Additionally, geopolitical tensions and fluctuating commodity prices, especially crude oil, could impact Nigeria's foreign exchange reserves and economic stability.

- **Domestic Economic Indicators:** Nigeria's GDP growth prospects hinge on diversification efforts away from oil dependence, improved fiscal discipline, and effective monetary policy to curb inflation, which remains elevated. Exchange rate volatility and interest rate trends will continue to impact mortgage affordability and lending rates.
- **Political Climate:** The stability of the nation's political environment, government policy continuity, and regulatory reforms in the housing finance sector will be crucial. Progress in infrastructure development, land reforms, and incentives for affordable housing will further enhance NMRC's capacity to fulfil its mandate.
- **Capital Market Conditions:** The performance of Nigeria's bond and equity markets will impact NMRC's ability to raise long-term funding and manage refinancing risk.

Nonetheless, NMRC will continue to stay alert to the evolving macroeconomic landscape while pursuing investments that solidify our competitive edge and deliver sustainable value to stakeholders. We remain committed to our vision of being the dominant housing partner, and are confident in our capacity to drive the growth of the Nigerian mortgage market.

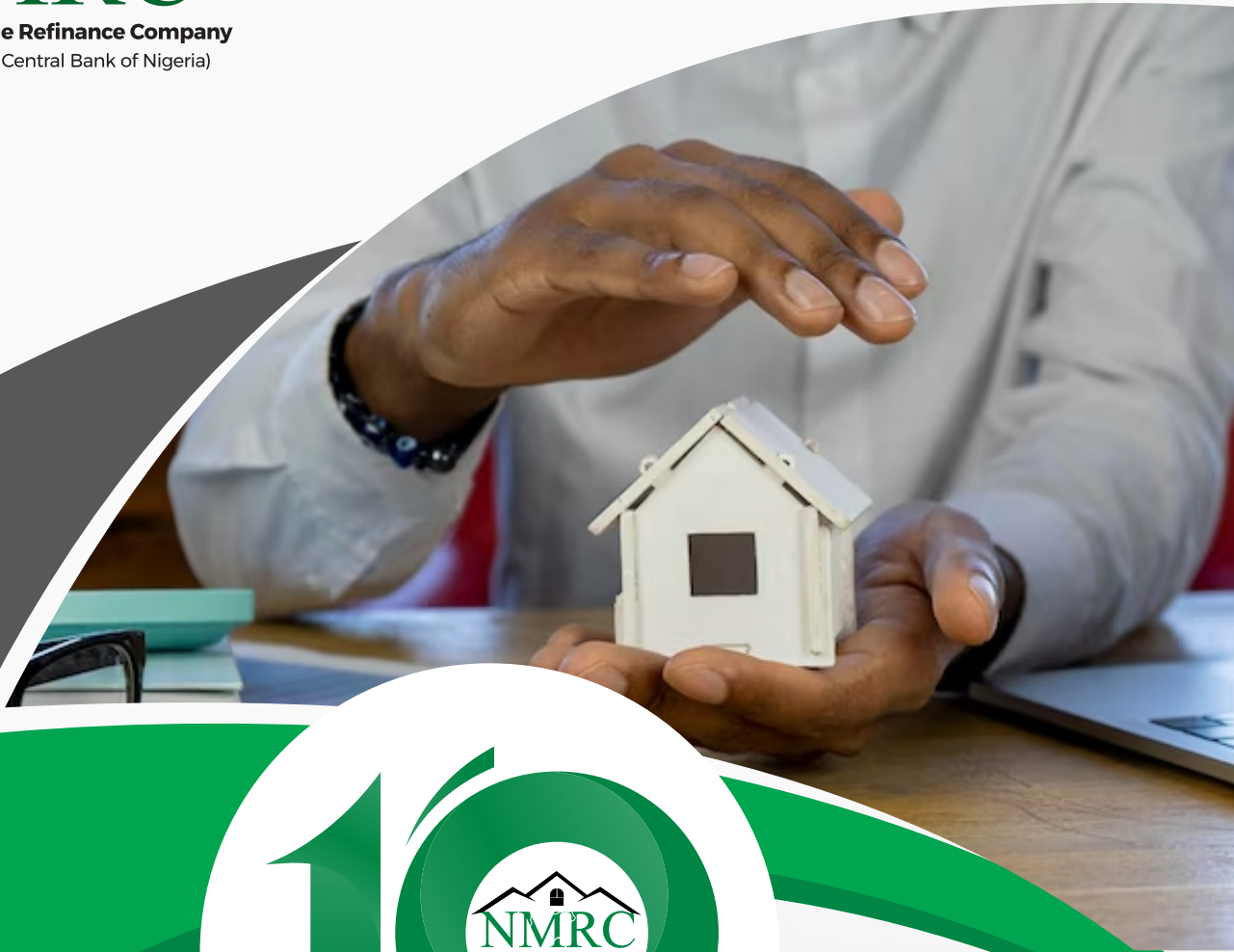
ACKNOWLEDGEMENT

I wish to express my sincere gratitude to our shareholders, partners, and customers for their unwavering support and collaboration. I also commend my fellow directors for their wisdom and oversight, and our management team and staff for their relentless efforts. Furthermore, to our regulators — especially the Central Bank of Nigeria, the Securities and Exchange Commission, and other government stakeholders — I extend sincere appreciation for your guidance and support.

Thank you for your attention.



Nigeria Mortgage Refinance Company
(Licensed by the Central Bank of Nigeria)



10 Years After...

A stronger resolve to
make **Homeownership**
Possible

CEO's Statement

I am pleased to welcome our esteemed shareholders, customers and regulators to this year's Annual General Meeting.

2024 IN RETROSPECT

The global economy in 2024 endured a period of subdued growth, influenced by intense geopolitical tensions, inflationary pressures and structural challenges across several regions. In the Western hemisphere, the United States of America was an outperformer with the S&P 500 index rising by more than 20 percent for the second year in a row, as investor excitement about artificial intelligence fueled strong gains. Growth in Europe was disappointing, while Asia and the Middle East recorded steady growth. Africa's economy showed resilience, growing by 3.5% - despite numerous challenges.

On the domestic front, the government ramped up its monetary and fiscal reforms aimed at stabilizing the economy, restoring investor confidence, and setting the country on a path for sustainable growth.

Nigeria's economy experienced a robust growth of 3.4%, its strongest performance in a decade. This growth was primarily driven by the oil and

KEHINDE OGUNDIMU
Chief Executive Officer

gas sector, as well as strong growth in the technology and finance industries. However, the agriculture sector faced slow growth due to prevailing insecurity and high input costs.

While Nigeria's economic performance was positive, inflation remained a significant challenge, with headline Consumer Price Index rising to 34.8 per cent in December 2024 significantly higher than the 28.92 per cent recorded the previous December. The elevated inflation rate in 2024 was a strain on purchasing power and consumer spending. To rein in inflation, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) cumulatively increased the Monetary Policy Rate (MPR) by 875 basis points, reaching an unprecedented high of 27.5 per cent by year-end. The MPC also adjusted the asymmetric corridor to +500/-100 basis points around the MPR from the previous +100/-300. Additionally, the Cash Reserve Ratio (CRR) was set at 50 per cent while the Liquidity Ratio (LR) remained unchanged at 30 per cent.

Despite the sustained efforts of the Central Bank of Nigeria (CBN) to stabilize the foreign exchange market and restore investor confidence, the Naira depreciated significantly by 62.75 per cent in 2024, closing the year at N1,549/\$1 in the Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX), compared with N951.79/\$1 in December 2023.

2024 FINANCIAL PERFORMANCE REVIEW

Despite the challenging high-interest rate environment, we grew Gross Earnings by 1.2% from N10.33 billion in 2023 to N10.45 billion in 2024. Net Interest Income increased by 6.8% from N5.91 billion in 2023 to N6.31 billion in 2023. On the back of a highly inflationary environment our expenses increased by 12.3% from N2.27 billion in 2023 to N2.55 billion in 2024. Profit Before Tax increased by 3.6% from N3.64 billion in 2023 to N3.77 billion in 2024. Similarly, earnings per share increased by 3.6% from N1.67 in 2023 to N1.73 in 2024. Total Equity increased by 5.9% from N25.68 billion to N 27.19 billion. Capital Adequacy Ratio improved from 90% in 2023 to 96% in 2024, well above the regulatory requirement of 10%.

MARKET DEVELOPMENT

Our annual skills acquisition program held in partnership with the Industrial Training Fund (ITF) entered its ninth year in 2024. The initiative is designed to empower more women and unemployed youths with technical skills in interior decoration, masonry, plumbing, carpentry, tiling, and electrical works as part of our Corporate Social Responsibility Program. The vocational and entrepreneurship

training is designed to achieve the dual purpose of enhancing the livelihoods of the youth while tackling the skills gap in the housing construction industry in Nigeria.

BOARD CHANGES

During the year, the Board welcomed Ms. Bolaji Agbede with approval from the Central bank of Nigeria. She brings a wealth of experience and an outstanding track record of delivery, achieved over a career spent working in large Banks.

LOOKING FORWARD

The global economic outlook remains uncertain, with potential downside risks to growth arising from ongoing trade frictions and supply chain disruptions. Inflation has declined slightly but remains stubbornly elevated and could be further impacted by fluctuations in oil and gas prices, as well as the imposition of trade tariffs.

The World Bank's June 2025 report noted that global growth is slowing, due to a substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment. Growth is projected to weaken to 2.3 percent in 2025, the slowest growth rate since the 2008 financial crisis.

The United States will likely remain the major engine of growth. However, prevailing policy priorities are contributing to heightened uncertainty regarding growth prospects around the world. Notably, there are emerging indications that the improvement in world trade growth may be starting to falter.

On the domestic front, Nigeria still faces a high and persistent inflation and will need strict monetary and fiscal discipline to maintain macroeconomic stability. The World Bank is projecting the Gross Domestic Product for 2025 to come in at 3.6% and inflation is projected to hover around 26%. We will monitor the economy closely, and take a long-term view of strategy, purpose, and capital allocation, while being cognizant of any short-term challenges.

CONCLUSION

On behalf of the Management, I extend my heartfelt appreciation to our Shareholders and partner Banks for their trust, support and shared vision. We remain confident in our ability to providing affordable liquidity to the Nigerian housing market driven by our innovative strategies and unwavering commitment to sustainable growth.

Thank you.

The Board



Yemi Adeola

Chairman

Mr. Adeola is a seasoned professional with over 40 years of experience in banking, finance, law, arbitration, and corporate consultancy. He holds a Master of Laws (LLM) degree, and an Oxford University/CIARB UK Diploma in International Commercial Arbitration.

His banking career started at Citibank Nigeria, where he rose to become an Executive Director, and culminated as the MD of Sterling Bank PLC.

Prior to his foray into Banking and Finance, he had a stint as a consultant at PricewaterhouseCoopers. He also taught law at the University of Benin and Lagos State University.

He is presently the Chairman of the following organizations: Sterling Financial Holdings Company, Nigeria Mortgage Refinance Company (NMRC), Lenox and Blair Group, and the Board of Trustees, Association of Banks' Legal Advisers and Company Secretaries (ABLACS). He is the Founder and Managing Partner of Adeyemi Adeola & Co., a law firm with a special focus on International Commercial Arbitration, Banking, and Finance.

Mr. Adeola is a Fellow of The Chartered Institute of Arbitrators (UK), the Chartered Institute of Bankers of Nigeria, and the Institute of Credit Administration. He is also a Member of the Nigerian National Disciplinary Tribunal, Chartered Institute of Bankers.

Mr. Adeola is also a JFK Scholar.



Kehinde Ogundimu

Managing Director/Chief Executive Officer

Mr. Ogundimu is an award-winning professional with over 30 years of corporate work experience spanning financial advisory services, oil & gas and diversified banking in Africa and America. He has held senior leadership positions at various blue-chip companies including PricewaterhouseCoopers and Chevron in Nigeria and at Pepco Energy Services, Freddie Mac, Fannie Mae, and Capital One Bank in the United States of America.

Mr. Ogundimu joined NMRC in 2015 as the pioneer Executive Director and Chief Financial Officer and was appointed as the CEO in 2018. He is passionate about the economic empowerment of citizens to advance development around the world. Energetically involved in real estate finance and advocacy, Mr. Ogundimu is the Chairman of the Board of Directors of the African Union for Housing Finance (AUHF), a not-for-profit organization based in South Africa.

Mr. Ogundimu holds a Bachelor of Science (B.Sc Honors) degree in Electrical Engineering from University of Ibadan and obtained a Master of Business Administration (MBA) from University of Lagos, Nigeria. He is a fellow of the Institute of Chartered Accountants of Nigeria (FCA), a member of the American Institute of Certified Public Accountants (CPA), a Chartered Financial Analyst (CFA) Charterholder, a fellow of the Chartered Institute of Taxation of Nigeria (FCTI) and Member, Institute of Directors of Nigeria (M.IoD).

Mr. Ogundimu has attended several executive management programs in leading educational institutions including Harvard Business School, University of Cambridge, University of Cape Town, Stellenbosch University and University of Pretoria, South Africa.



Olufunke Aboyade, (SAN, FCIARB)

Independent Director

Ms. Aboyade is an experienced legal professional of over four decades. She gained her LL.M from the University of Cambridge (Jesus College) in 1985. Prior to this, she had been admitted to the Nigerian Bar in 1983 after obtaining her LL.B from the University of Ife where she graduated in the top 1% of her class.

Ms. Aboyade's career journey has spanned legal practice, banking and journalism. Her solid legal background has seen her handling diverse legal matters, ranging from complex corporate transactions, project finance, high profile litigation and commercial arbitration. Her expertise attests to her admission to the Inner Bar as a Senior Advocate of Nigeria in 2013.

A seasoned Arbitrator, she is a Fellow of the Chartered Institute of Arbitrators UK (Nigeria Branch). She is also a Notary Public.

In the public space, she served as Chairperson of the Lagos State Prerogative of Mercy Council set up under the Nigerian Constitution to advise State Governors on the grant of pardon, respite, substitution or remission of sentences on convicts. More recently, she was also a member of the team set up by the Federal Ministry of Environment to review and amend the Climate Change Act, 2021.



Bolaji Agbede

Non-Executive Director

Ms. Agbede is a versatile professional with over thirty-three years' experience in human resources management, customer relationship management and banking operations. She has a proven record of successful people integration during mergers and acquisitions, culture transformation and execution of corporate strategies.

She commenced her professional career in Guaranty Trust Bank and served in various capacities within the Commercial Banking and Operations functions. She diligently distinguished herself and swiftly rose from the grade of Executive Trainee in 1992 to Manager in 2001. Ms. Agbede subsequently served as the Chief Executive Officer of JKG Limited in 2003, a business consulting outfit.

Ms. Agbede joined Access Bank in 2003 as an Assistant General Manager and was responsible for managing the Bank's portfolio of chemical trading companies. She was the Group Head, Human Resources of Access Bank Plc between 2010 and 2022.

Ms. Agbede holds a bachelor's degree in mathematics and Statistics from the University of Lagos (1990) and subsequently obtained a Master of Business Administration degree from Cranfield University in 2002. She is a member of the Chartered Institute of Management UK and Chartered Institute of Personnel Management of Nigeria.

She has attended several renowned leadership and professional development programmes including the High-Performance Leadership Programme, organised by the IMD and the Strategic Talent Management Programme, organised by the London Business School.



Markie Idowu, PhD

Independent Director

Dr. (Mrs.) Markie Idowu has over 35 years of experience in Banking and IT, with 28 years spent in the banking industry. She has worked for several banks including GTBank, Fidelity Bank and Polaris Bank, where she left as Executive Director. As Group Managing Director/CEO, Xpress Payment Solutions Limited, a leading financial technology company in Nigeria, she is leading major strategic initiatives and the transformation of the company to be Africa's preferred choice for e-payments.

A life-long learner, she holds an MSc in Software Engineering with a Distinction and Best Result from Aston University, UK. This was after graduating at 19 with first class in Computer Science from the University of Benin, where she finished as the Faculty of Science's Best Graduating Student. She holds a master's degree in business administration from Lagos Business School and a PhD in Credit Management. As an avid learner, she attends executive education programmes at Harvard, MIT, LSE, INSEAD, Euromoney, LBS, among others, to stay in the forefront of 21st-century knowledge.

Recently named Chair of Women in Technology in Nigeria (WITIN) Advisory Board 2023 – 2024 for her numerous contributions in the technology space, she was crowned Best Female Fintech CEO in 2022. She was honoured as one of "Africa's Most Inspirational Women in Leadership" in 2022 and 2023. She is a member of Institute of Directors (M.IoD), Fellow of National Institute of Credit Administration, where she is also Vice Chairman of council, and an Honorary Senior Member (HCIB) of Chartered Institute of Bankers. She is a recipient of the prestigious British Chevening Scholar Award (1992), Distinguished Leadership in National Development Gold Award (2005), Africa's Best Payment Solution Personality of the Year (2020) and Payment Solution Personality of the Year (2023).



Olufemi Johnson, DBA

Non-Executive Director

Dr. Johnson was the immediate past Managing Director/CEO Homebase Mortgage Bank, a Non-Executive Director of Mortgage Warehouse Funding Limited (MWFL), and a past president of the Mortgage Banking Association of Nigeria (MBAN), where he has served on the executive committee in various capacities for 17 years, and currently serves as a member of the Board of Trustees. He also served for 4 years on the Governing Council of the Chartered Institute of Bankers of Nigeria (CIBN), and as Chairman of Corona School Lekki.

He is a graduate of the Harvard Business School Advanced Management Program, and he holds a DBA (Doctor of Business Administration) degree from the Cranfield University, United Kingdom in Economics and Finance. He also holds an MBA degree from the Lagos Business School.

He is a Fellow (FCA) of the Institute of Chartered Accountants of Nigeria (ICAN), a Fellow (FCTI) of the Chartered Institute of Taxation of Nigeria (CITN), a Fellow (FICA) of the Institute of Credit Administration, an Honorary Senior Chartered Banker (HCIB) of the Chartered Institute of Bankers of Nigeria (CIBN), and also an Associate of the New York State Society of Certified Public Accountants, (NYSSCPA). In the course of his career, he has had varied experience in banking, covering areas like Credits and Marketing, Financial Control, Strategy and Planning, Treasury, Banking Operations, Branding and Communications, Mortgage Banking, etc.

He has attended several training courses, including courses at the Cranfield University, Cambridge University, INSEAD University, IESE Business School of the University of Navarra, Spain, Shanghai Jiao Tong University, China, National University of Singapore, Wharton School, University of Pennsylvania, USA, IMD Switzerland, Frankfurt School of Finance & Management, Germany, World Bank, USA, as well as Canada Mortgage & Housing Corporation, Canada.



Olabanjo Obaleye, DBA

Non-Executive Director

Dr. Obaleye is the President, Angel Partners Limited (APL). APL is a business angel investment company also into consulting, business turnaround management, investment, real estate partnership, and project finance.

He is the Group Executive Director, Adkan Services Nigeria Limited. Adkan Services Nigeria Limited is a parent company to 18 other wholly owned subsidiary companies with interests cutting across Real Estate, Financial Institution, Agro-Allied and Fast-Moving Consumer Goods (FMCG). Infinity Trust Mortgage Bank PLC is one of the subsidiary companies.

Dr. Obaleye was the Managing Director/Chief Executive Officer of Infinity Trust Mortgage Bank PLC (ITMB) from 2004 - 2021. He was one of the pioneer shareholders of ITMB as he took part in its conceptualization and development since inception in 2002 leveraging on his banking experience since 1990. He had worked with Afribank Nig. Limited, Midas Bank and Societe Bancaire before he joined ITMB in 2004 as the CEO.

He holds a Doctoral Degree in Business Administration (DBA) from Walden University, Baltimore, USA - a member of Laureate International Universities. He also holds a Master's Degree in Business Administration with specialization in financial management from the University of Abuja. He is a graduate of Accounting from the Obafemi Awolowo University, Ile-Ife.

Dr. Obaleye is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (HCIB), an Associate of the Chartered Institute of Taxation of Nigeria, and a Member, Institute of Directors. He is also a member of the Mentoring Committee, Chartered Institute of Bankers of Nigeria (CIBN).

Dr. Obaleye is an Alumnus of Wharton Business School, Philadelphia and was a delegate to the World Housing Congress in Germany, Canada and USA. He is also an alumnus of Lagos Business School, Strathmore University Business School, Nairobi, Kenya, and Yale University, New Haven, Connecticut, USA. He is a member of the team that conceived the establishment of Nigeria Mortgage Refinance Company PLC.



Armstrong Takang, PhD

Non-Executive Director

Before his current role as CEO of Nigeria's Ministry of Finance Incorporated (MoFI), Dr. Takang served as the Special Adviser to the Honourable Minister of Finance, Budget and National Planning where he led a number of transformative initiatives in the Investment and technology management space. Notably, he led the transformation of the Ministry of Finance Incorporated (MoFI) into a full-fledged government-owned private equity and venture capital entity with AUM of over \$40 billion. Additionally, he spearheaded Project Lighthouse, a big data analytics system used to support the revenue generation agenda of the Federal Government.

His decades-long career in investment consultancy and public reforms traverses the public and private sectors across Africa, and in the US, where he worked at the New York office of KPMG. He was Team-Lead for a Private Banking Group, managed the Integrated Financial and Economic Management Information System (IFEMIS) Project in Nigeria, and led the Voluntary Asset and Income Declaration Scheme (VAIDS).

A strong collaborator, Dr. Takang was pivotal in designing and implementing several national initiatives like the Integrated Payroll and Personnel Information System (IPPIS), the Office for Nigerian Content Development in ICT under NITDA, and the ICT component of the Economic and Financial Crimes Commission (EFCC)/Nigeria Financial Intelligence Unit (NFIU).

Dr. Takang chaired the Nigeria National ICT Strategic Action Plan Committee, and the Nigeria National Software Development Task Force, and was a member of many federal committees, including those for the restructuring of the Ministry of Finance Incorporated; development of Policy on Nigerian Content Development in ICT, and development of Nigeria's 50-year Development Plan.



Aminu Umar- Sadiq

Non-Executive Director

Mr. Umar-Sadiq is the Managing Director and Chief Executive Officer of the Nigeria Sovereign Investment Authority (NSIA). Mr. Umar-Sadiq has significant experience in the global financial services sector - spanning public finance management, mergers & acquisitions, private equity and asset management.

Prior to his appointment as MD/CEO of NSIA in October 2022, Mr. Umar-Sadiq was an Executive Director and Head of Direct Investments (from February 2019) at NSIA, leading NSIA's multi-product, cross-sector domestic infrastructure fund. He was also responsible for corporate governance management and performance reporting for NSIA's over 10 subsidiary entities.

Mr. Umar Sadiq has strong antecedent from Morgan Stanley, where he initiated his professional journey in the mergers & acquisitions division, subsequently proceeding to Denham Capital Management, a natural resource focused private equity fund, and then to the mergers and acquisitions division at Société Générale.

He also serves on the following Boards in a non-executive capacity: the Infrastructure Credit Guarantee Company Limited (InfraCredit), Development Bank of Nigeria (DBN), NSIA Advanced Medical Services Limited (MedServe), Green Guarantee Company and Carbon Vista.

Beside NMRC, he serves as a member of the EU High Level Expert Group on Sustainable Finance for Emerging Economies, contributing his vast experience to shape sustainable financial strategies in developing markets. Additionally, his role on the Sustainable Investment Advisory Council for the United Nations Conference on Trade and Development highlights his dedication to aligning global trade and investment practices with sustainable development goals.

Mr. Umar-Sadiq attained his Bachelor's and Master's degrees in Engineering Sciences from the University of Oxford (St Johns College). He has also attended a plethora of advanced management programs for senior management executives.

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Possible

Directors' Report

for the Year Ended 31 December 2024

The Directors are pleased to present to members, their report together with the financial statements and auditors' report of Nigeria Mortgage Refinance Company PLC (the "Company") for the year ended December 2024.

(A) LEGAL FORM AND PRINCIPAL ACTIVITY

Nigeria Mortgage Refinance Company PLC (the "Company") was incorporated on 24 June 2013 as a public limited liability company and commenced operations on 1 March 2015. The Company is registered with the Securities and Exchange Commission (SEC) and regulated by the Central Bank of Nigeria (CBN) as a mortgage refinance company.

The principal activity of the Company is the provision of long-term funds to eligible mortgage lenders by refinancing mortgage loans originated by mortgage and commercial banking institutions. This is primarily achieved through the issuance of long-term bonds in the capital market among other permissible funding sources.

(B) OPERATING RESULTS

The highlights of the Company's operating results for the year under review are as follows:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Gross Earnings	10,450,347	10,327,226
Profit before tax	3,772,361	3,640,595
Income tax expense	(37,920)	(36,564)
Minimum tax	(52,252)	(51,636)
Profit for the year	3,682,189	3,552,395
Other comprehensive income for the year, net of tax	(412,750)	(109,160)
Total comprehensive income for the year	3,269,439	3,443,235
Earnings Per Share (Basic and diluted) - kobo	173 k	167k

(C) DIVIDEND

The Directors have recommended for approval, the payment of a dividend of N1,764,118,874 (divided into 83 kobo per share on the 2,125,444,427 issued shares) for the financial year ended 31 December 2024. Similarly, for the financial year ended 31 December 2023, the shareholders approved a dividend payment of N1,764,118,874 (representing 83 kobo per share on the 2,125,444,427 issued shares).

(D) DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

Mr. Yemi Adeola	–	Chairman (Non-Executive Director)
Mr. Kehinde Ogundimu	–	Chief Executive Officer
Ms. Olufunke Aboyade, SAN	–	Independent Non-Executive Director
Ms. Bolaji Agbede*	–	Non-Executive Director
Dr. Markie Idowu	–	Independent Non-Executive Director
Dr. Olufemi Johnson	–	Non-Executive Director
Dr. Olabanjo Obaleye	–	Non-Executive Director
Dr. Armstrong Takang	–	Non-Executive Director
Mr. Aminu Umar-Sadiq	–	Non-Executive Director

* Appointment approved by the CBN on July 29, 2024

(E) DIRECTORS' INTEREST IN CONTRACTS

None of the directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020, of any declarable interest in contracts in which the Company is involved.

(F) RECORD OF DIRECTORS' ATTENDANCE

The register showing Directors' attendance at Board Meetings is available for inspection at the Annual General Meeting in line with Section 284 (2) of the Companies and Allied Matters Act, 2020 (CAMA).

(G) ANALYSIS OF SHAREHOLDING

According to the register of members, the following shareholders held more than 5% of the issued share capital of the Company as follows

Shareholders	31 December 2024		31 December 2023	
	Number of holdings	Percentage of holdings (%)	Number of holdings	Percentage of holdings (%)
Nigerian Sovereign Investment Authority	444,444,444	20.91	444,444,444	20.91
Ministry of Finance Incorporated	333,333,333	15.68	333,333,333	15.68
Homebase Mortgage Bank Limited	277,777,777	13.07	277,777,777	13.07
First Trust Mortgage Bank PLC	191,555,554	9.01	191,555,554	9.01
FHA Homes Limited	138,888,888	6.53	138,888,888	6.53

The shareholding pattern of the Company as at the reporting dates are as stated below:

31 December 2024

Range	Number of Shareholders	(%) of Shareholders	Number of holdings	(%) of Shareholders
1,000,000 - 50,000,000	16	61.6	408,333,321	19
50,000,001 - 100,000,000	5	19.2	331,111,109	16
100,000,001 - 500,000,000	5	19.2	1,385,999,997	65
TOTAL	26	100	2,125,444,427	100

31 December 2023

Range	Number of Shareholders	(%) of Shareholders	Number of holdings	(%) of Shareholders
1,000,000- 50,000,000	16	61.6	408,333,321	19
50,000,001-100,000,000	5	19.2	331,111,109	16
100,000,001-500,000,000	5	19.2	1,385,999,997	65
TOTAL	26	100	2,125,444,427	100

(ii) NMRC's Risk Governance Structure

The Board is primarily and ultimately responsible for setting the overall strategic direction for NMRC. The Board provides oversight to ensure that Management has appropriate risk management systems and practices established to manage risks associated with the Company's operations and activities. The Board achieves this through:

- setting the overall tone of the Company's risk appetite and ensuring that this is well enshrined in its corporate culture;
- approving enterprise-wide standards for different types of risks including credit risk, market risk and operational risk;
- identifying, understanding and assessing the types of risks inherent in NMRC's business activities or any new major products or services to be launched, and formulating appropriate risk management strategies;
- approving a risk management framework that is consistent with NMRC's business strategies and risk appetite, and ensuring that the framework is effectively implemented and maintained;

- reviewing the risk management framework periodically to determine its adequacy in comparison to the prevailing business conditions;
- determining that there are clear reporting lines and responsibilities for the risk management function;
- approving the allocation of resources to business units or divisions in accordance with NMRC's risk appetite;
- maintaining continued awareness of any changes in the company's risk profile; and
- approving the provision of adequate resources (e.g. financial, technical expertise and systems technology) for risk management purposes.

The Board Risk Management Committee assists the Board in providing effective oversight and in formulating strategies, policies and structures for managing the Company's risks. The Committee is supported by various management committees in addressing key identified risks. These include the Management Risk Committee and Asset and Liability Management Committee, which are constituted by the senior management of NMRC and chaired by the CEO. Together, these committees oversee capital allocation and

set overall risk limits, ensuring alignment with the risk appetite established by the Board.

(H) PROPERTY AND EQUIPMENT

The information relating to property and equipment is given in Note 12 to the financial statements. In the opinion of the directors, the net realisable value of the property and equipment is not less than the value shown in the financial statements.

(I) DONATIONS AND CHARITABLE GIFTS

During the year, the Company collaborated with the Industrial Training Fund (ITF) to empower 40 unemployed youths with technical skills in housing construction and entrepreneurship. This initiative marked the ninth batch of NMRC's annual skills acquisition programme, designed to achieve the dual purpose of enhancing the livelihoods of youths and addressing the skills gap in the country's housing construction industry.

(J) HUMAN RESOURCES

As at December 2024, the Company had a total of 22 employees. The Company maintains a non-discriminatory policy on recruitment, ensuring that applications from persons with disabilities are given full and fair consideration, based on the applicant's qualifications, abilities and suitability for the role.

In the event that an existing employee becomes disabled, every effort is made to retain their employment, with the Company providing appropriate support and training to facilitate their continued contribution. It is also the policy of the Company to ensure that the training, career development, and promotion opportunities available to persons with disabilities are, as far as possible, equivalent to those extended to other employees.

The Company had no disabled person in its employment as at 31 December 2024 (December 2023: nil)

Gender Analysis of Employees

As at December 31, 2024, the Company's workforce comprised **22 employees**. A breakdown by gender is presented below:

Description	31 December 2024		
	Number	% of Total staff	% of Total new hire
Female (New Hire)	1	4.55	50
Male (New Hire)	1	4.55	50
Total (New Hires)	2	9.09	100
Female as at December 2024	8	36.36	
Male as at December 2024	14	63.64	
Total Staff	22	100	

Description	31 December 2023		
	Number	% of Total staff	% of Total new hire
Female hire	1	4.55	50
Male hire	1	4.55	50
Total hire	2	9.09	100
Female as at December 2023	8	36.36	
Male as at December 2023	14	63.64	
Total Staff	22	100	

(K) EVENTS AFTER THE REPORTING DATE

There are no other subsequent events that need to be accounted for or disclosed in the financial statements.

(L) AUDITORS

The Auditors, PricewaterhouseCoopers Nigeria, have indicated their willingness to continue in office as auditors in accordance with section 401(2) of the Companies and Allied Matters Act 2020.

BY ORDER OF THE BOARD,



Tochukwu Mogbo, ACIS

Company Secretary

FRC/2017/NBA/00000016357

17 Sanusi Fafunwa Street,
Victoria Island
Lagos



Corporate Governance Report

Nigeria Mortgage Refinance Company PLC. ("NMRC" or the "Company") is committed to upholding best corporate governance practices. The Company recognizes that this is critical to the creation and delivery of long-term sustainable value for stakeholders in a manner consistent with its obligations as a responsible corporate organisation. As a highly regulated entity, we pride ourselves in having effective corporate governance practices that align with relevant regulations and international best practices. This commitment reflects our dedication to responsible corporate conduct, operational transparency, and effective oversight in the delivery of our corporate objectives.

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

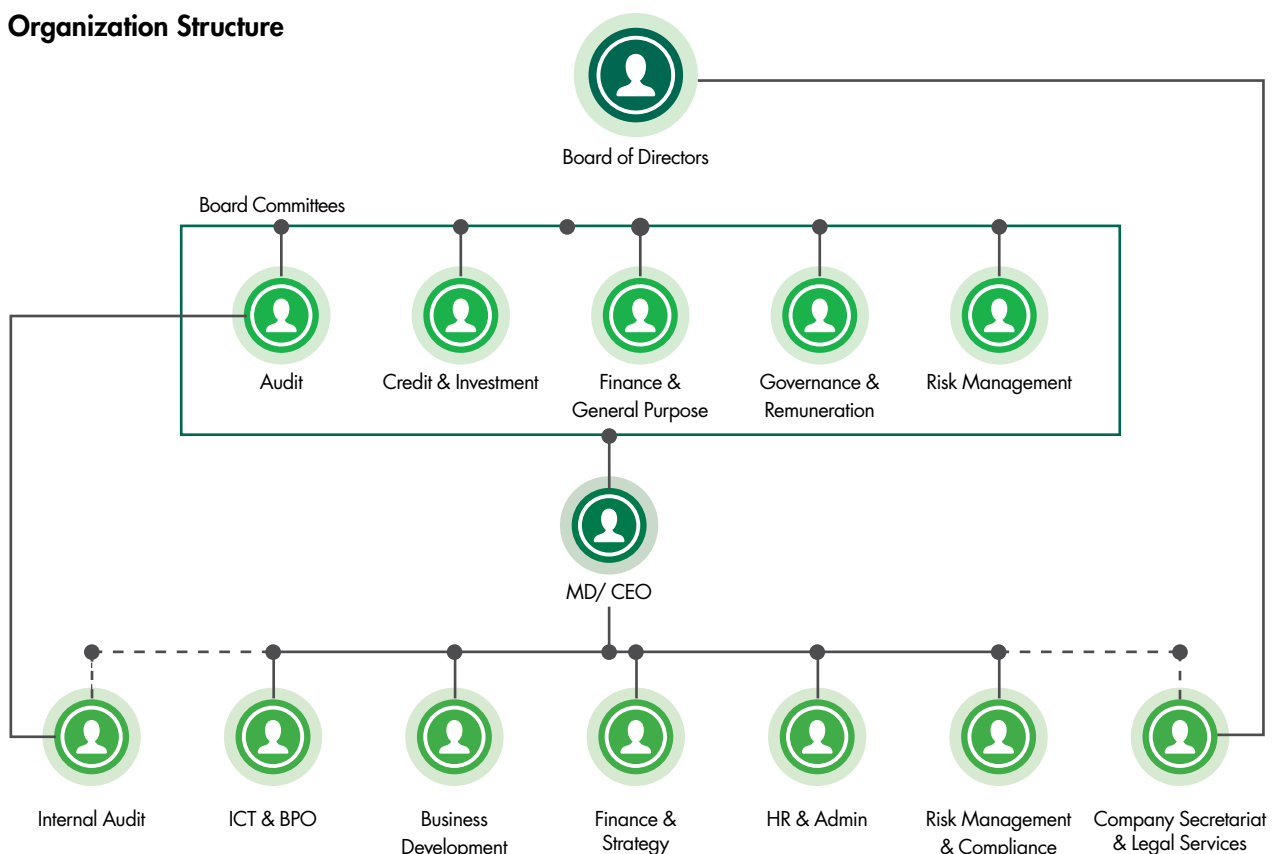
NMRC ensures that sound corporate governance practices are embedded in all areas of its operations. In this regard, the Company emphasizes strict adherence to the Central Bank of Nigeria (CBN) Code of Corporate Governance for Mortgage Refinance Companies in Nigeria issued in October 2018, the Financial Reporting Council issued Nigerian Code of Corporate Governance 2018, the

provisions of the Banks and Other Financial Institutions Act (BOFIA) 2020, and international best practices. The Company's operations are also guided by the CBN Regulatory and Supervisory Framework for the Operations of a Mortgage Refinance Company.

GOVERNANCE STRUCTURE

The Company operates within a Corporate Governance Strategy designed to promote effective governance and accountability. The Board of Directors provides oversight of the Internal Control and Risk Management frameworks of NMRC, ensuring alignment with regulatory requirements and corporate objectives. The Board is supported in its oversight function by the various Board Committees. The Committees' roles and responsibilities are set out in their respective charters. The Charters define the roles, responsibilities, scope of authority, membership composition and procedures for reporting to the Board. These Charters are reviewed and updated periodically to ensure consistency with current market realities. The governance structure of the Company as at 31st December 2024 was as follows:

Organization Structure



THE BOARD OF DIRECTORS

The Board is responsible for providing oversight of the Company's business, long-term strategy and objectives. It exercises independent oversight of the Company's risk management framework and is accountable for evaluating and directing the implementation of internal controls and procedures, including maintaining a robust system of internal

controls designed to safeguard shareholders' investments and the Company's assets.

As at 31st December 2024, the affairs of the Company were superintended by its Board, comprised of two (2) Independent Non-Executive Directors, six (6) Non-Executive Directors, and one (1) Executive Director.

Outlined below are the directors that served during the year under review.

Mr. Yemi Adeola	–	Chairman (Non-Executive Director)
Mr. Kehinde Ogundimu	–	Chief Executive Officer
Ms. Olufunke Aboyade, SAN	–	Independent Non-Executive Director
Ms. Bolaji Agbede*	–	Non-Executive Director
Dr. Markie Idowu	–	Independent Non-Executive Director
Dr. Olufemi Johnson	–	Non-Executive Director
Dr. Olabanjo Obaleye	–	Non-Executive Director
Dr. Armstrong Takang	–	Non-Executive Director
Mr. Aminu Umar-Sadiq	–	Non-Executive Director

* Appointment was approved by the CBN on July 29, 2024

The Board meets every quarter but may convene extraordinary sessions, as necessary, to consider urgent matters requiring its attention.

Board Committees

The Board carries out its oversight functions through its various Board Committees. This enables the Directors to properly assess management reports, proposals and make recommendations thereon to the full Board. This is both efficient and in compliance with applicable corporate governance regulations as well as global standards.

The Board comprises accomplished professionals and business leaders with extensive experience and proven track records in their respective fields. Each member possesses the requisite integrity, skill, and experience to bring independent judgment to bear on Board deliberations and decision making. In line with regulatory requirements and corporate governance best practices, the Company has two (2) Independent Non-Executive Directors, who are neither shareholders of the Company nor representatives of shareholders, thereby ensuring objectivity and balance in the Board's oversight function.

The Board is responsible for ensuring due compliance and alignment with acceptable Corporate Governance standards.

Appointments to the Board

Appointments to the Board are governed by the Company's Articles of Association, applicable laws and regulations, as well as internal policies. The process for nominating and appointing directors is clearly outlined in the Company's Code of Corporate Governance and its policy on the Procedures and Processes for Appointments to the Board.

While the ultimate power to appoint directors is vested in the shareholders, the Board may exercise this responsibility on their behalf in line with the applicable laws. Factors to be considered in appointments to the Board include, the suitability of the candidate in terms of knowledge, skill, experience and the value that the individual is likely to bring to the Board. Consideration is also given to promoting diversity, including gender representation.

The Board may delegate the recruitment process to its Governance and Remuneration Committee, which ensures that a transparent, fair, and objective procedure is followed, and when necessary, may engage reputable external consultants. All Board appointments are subject to the approval of the Central Bank of Nigeria and are presented to shareholders for ratification at the subsequent Annual General Meeting.

Separation of the positions of Chairman and Managing Director

The positions of the Managing Director/CEO and the Chairman of the Board are occupied by different persons and the Managing Director/CEO is responsible for implementation of the Company's business strategy and the day-to-day management of the business. The Chairman is not involved in the day-to day operations of the Company and is not a member of any committee of the Board.

Proceedings and frequency of meetings

The Board meets at least once every quarter, but may hold additional meetings as may be required to address matters requiring its attention. Sufficient notice, with clear agenda and relevant reports are usually provided prior to convening each meeting, to enable informed deliberations.

All Directors have access to the Company Secretary, who serves as an adviser to the Board on governance matters. The appointment and removal of the Company Secretary are matters reserved exclusively for the Board, to whom the Secretary is directly accountable.

Non-Executive Directors

The Non-Executive Directors possess strong knowledge of the Company's business and contribute actively at Board's meetings.

Reporting and Control

The Board is responsible for and ensures proper financial reporting as well as the establishment of strong internal control procedures. There is a Statutory Audit Committee, a Board Audit Committee and a Head of Internal Audit in the Company.

Retirement and Rotation

In compliance with the provisions of section 285 (1) of the Companies and Allied Matters Act, 2020 which requires one-third of the Directors, or if their number is not a multiple of three, the number nearest to one third, to retire from office at each Annual General Meeting, Dr. Olabanjo Obaleye, Dr. Armstrong Takang and Mr. Aminu-Umar-Sadiq will retire at the 11th Annual General Meeting and all three being eligible, offer themselves for re-election.

Profile of Dr. Olabanjo Obaleye

Dr. Obaleye is the President, Angel Partners Limited (APL). APL is a business angel investment company also into

consulting, business turnaround management, investment, real estate partnership, and project finance.

He is the Group Executive Director, Adkan Services Nigeria Limited. Adkan Services Nigeria Limited is a parent company to 18 other wholly owned subsidiary companies with interests cutting across Real Estate, Financial Institutions, Agro-Allied and Fast-Moving Consumer Goods (FMCG). Infinity Trust Mortgage Bank PLC is one of the subsidiary companies.

Dr. Obaleye was the Managing Director/Chief Executive Officer of Infinity Trust Mortgage Bank PLC (ITMB) from 2004 - 2021. He was one of the pioneer shareholders of ITMB as he took part in its conceptualization and development since inception in 2002 leveraging on his banking experience since 1990. He had worked with Afribank Nig. Limited, Midas Bank and Societe Bancaire before he joined ITMB in 2004 as the CEO.

He holds a Doctoral Degree in Business Administration (DBA) from Walden University, Baltimore, USA - a member of Laureate International Universities. He also holds a Master's Degree in Business Administration with specialization in financial management from the University of Abuja. He is a graduate of Accounting from the Obafemi Awolowo University, Ile-Ife.

Dr. Obaleye is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (HCIB), an Associate of the Chartered Institute of Taxation of Nigeria, and a Member, Institute of Directors. He is also a member of the Mentoring Committee, Chartered Institute of Bankers of Nigeria (CIBN).

Dr. Obaleye is an Alumnus of Wharton Business School, Philadelphia and was a delegate to the World Housing Congress in Germany, Canada and USA. He is also an alumnus of Lagos Business School, Strathmore University Business School, Nairobi, Kenya, and Yale University, New Haven, Connecticut, USA. He is a member of the team that conceived the establishment of Nigeria Mortgage Refinance Company PLC.

Profile of Dr. Armstrong Takang

Dr. Armstrong Takang is a private equity and technology executive specialized in providing investment advisory and post-investment services across Africa. He has an in-depth understanding of the African market, and has provided consulting, advisory, implementation and project management services across different sectors. His goal is to help organizations achieve their strategic and operational goals through effective exploitation of technology and value-added services.

He served as the Special Adviser to the Honourable Minister of Finance, Budget and National Planning where he led a number of transformation initiatives in the Investment and technology management space. Notably, he led the transformation of the Ministry of Finance Incorporated (MOFI) into a full-fledged government-owned private equity and venture capital entity with AUM of over \$40 billion. Additionally, he spearheaded Project Lighthouse, a big data analytics system used to support the revenue generation agenda of the Federal Government.

He has over 25 years extensive and hands-on international experience in designing, planning, budgeting, and executing large-scale projects using high-performance teams in multiple industries including Transportation; Education; Banking and Finance; Insurance; Healthcare; Federal, State and Local Governments Administration; Automobile; Foundations; and Higher Education.

He also has a certificate in Private Equity from Imperial College Business School, London and a Certificate in Private Equity and Venture Capital from the Harvard Business School (HBS). He sits on the boards of a number of companies in Nigeria and the United States. He holds B.Sc and Ph.D. degrees in Computer Science from the University of Hull, UK.

Profile of Mr. Aminu Umar-Sadiq

Mr. Aminu Umar-Sadiq is the current Managing Director and Chief Executive Officer of the Nigeria Sovereign Investment Authority (NSIA). Prior to his elevation to the office of MD/CEO of NSIA in October of 2022, Mr. Umar-Sadiq served as an Executive Director at NSIA, where he played key roles in implementing NSIA's overall strategy and driving operational and financial performance.

Mr. Umar-Sadiq who has Bachelor's and Master's degrees in Engineering Sciences from the University of Oxford (St Johns College), commenced his professional career in the mergers & acquisitions division of Morgan Stanley. Thereafter, he proceeded to join Denham Capital Management, a natural resource focused private equity fund, and then to the mergers and acquisitions division at Société Générale.

Owing to his wealth of knowledge and experience, Mr. Umar-Sadiq serves on numerous Boards in a non-executive capacity including on the Fund for Agricultural Finance in Nigeria (FAFIN), NSIA Healthcare Development and Investment Company and the Multipurpose Industrial Platform Limited (MIPL).

APPOINTMENT

Profile of Ms. Bolaji Agbede

Ms. Agbede is a versatile professional with over thirty-three years' experience in human resources management, customer relationship management and banking operations. She has a proven record of successful people integration during mergers and acquisitions, culture transformation and execution of corporate strategies.

She commenced her professional career in Guaranty Trust Bank and served in various capacities within the Commercial Banking and Operations functions. She diligently distinguished herself and swiftly rose from the grade of Executive Trainee in 1992 to Manager in 2001. Ms. Agbede subsequently served as the Chief Executive Officer of JKG Limited in 2003, a business consulting outfit.

Ms. Agbede joined Access Bank in 2003 as an Assistant General Manager and was responsible for managing the Bank's portfolio of chemical trading companies. She was the Group Head, Human Resources of Access Bank Plc between 2010 and 2022.

Ms. Agbede holds a bachelor's degree in mathematics and Statistics from the University of Lagos (1990) and subsequently obtained a Master of Business Administration degree from Cranfield University in 2002. She is a member of the Chartered Institute of Management UK and Chartered Institute of Personnel Management of Nigeria.

She has attended several renowned leadership and professional development programmes including the High-Performance Leadership Programme, organised by the IMD and the Strategic Talent Management Programme, organised by the London Business School.

The profile of all the Directors including the Directors for election/re-election are on the Company's website www.nmrc.com.ng.

Board Appraisal

An annual performance review is carried out by independent consultants to assess the performance of the Board. The service of DCSL Corporate Services Limited was retained to conduct the appraisal of the performance of the Board and individual Directors for 2024, being the sixth year of service as external Board Evaluation consultants to the Company. The Board Evaluation Report issued by the consultants covered Board structure and composition;

strategy and planning, Board operations and effectiveness, measuring and monitoring of Directors' performance, risk management and compliance, corporate citizenship as well as transparency and disclosure. The key findings from the Board Evaluation Report were the absence of a formal induction programme for newly appointed directors, and the lack of a valid Board Strategy document for the financial year 2024. At the moment, these two issues have been resolved in line with the recommendations of the Board Evaluation Consultants.

Accountability and Audit

The Board has presented a balanced assessment of the Company's position and prospects. The Board is mindful of its responsibilities and is satisfied that in the preparation of its financial report it has met with its obligation under the applicable Codes of Corporate Governance.

The Directors make themselves accountable to shareholders through regular publication of the Company's financial performance and annual reports. The Board keeps tabs on the financial performance by reviewing Management's reports and monitoring corporate performance throughout the financial year. The Board has ensured that the Company's financial report is audited by independent auditors to provide third-party assurance of its reliability.

PricewaterhouseCoopers Nigeria acted as external auditors to the Company during the 2024 financial year.

Internal Control

The Company has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board and Audit Committee Meetings.

Shareholders

The Company ensures the existence of adequate interaction among the shareholders, the Management and the Board of the Company. The Company's General Meetings provide shareholders with the platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are held in accessible locations and are open to shareholder representatives. The AGMs are conducted in a manner that facilitates shareholders' participation in accordance with relevant regulatory

and statutory requirements. The Company encourages shareholders to attend these meetings (both physically and virtually), whilst ensuring that notices of meetings and other information required by shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary also affords shareholders channels of communication to the Board and the Management of the Company.

It is the responsibility of the shareholders to approve the appointment of Directors and to grant other approvals that are required by law or the Articles of Association of the Company.

The shareholders, through their representatives on the Statutory Audit Committee in line with section 404 of the Companies and Allied Matters Act, 2020 assume responsibility for the integrity of the Company's audited accounts. The role of the Statutory Audit Committee includes ensuring that the audit and risk management policies of the Company adhere to the appropriate legal standards. The Committee also provides oversight functions regarding the activities of the Company's Internal and External Auditors.

STATUTORY AUDIT COMMITTEE

The Company has a Statutory Audit Committee set up in accordance with the provisions of the Companies and Allied Matters Act, 2020. It comprises a mix of shareholders and Non-Executive Directors elected at the Annual General Meeting, with the shareholder-representatives being in the majority. It evaluates, annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and reviews with Management and the external auditors, the annual audited financial statements before its submission to the Board.

During the year, the Committee approved the audit plan and scope of the external auditors' work for the financial year and reviewed the audited financial results before presentation to the Board.

The Committee also received reports from Management on the accounting system and internal controls framework of the Company. As of 31st December 2024, the Committee was comprised of three (3) shareholder representatives and two (2) Non-Executive Directors as follows:

S/N	COMMITTEE MEMBERS
a.	Mr. Ayo Olowookere (Chairman)*
b.	Dr. Olumide Adedeji*
c.	Mrs. Ruby Okoro*
d.	Dr. Olufemi Johnson**
e.	Dr. Olabanjo Obaleye**

*Shareholder representative**

*Non-Executive Director***

The responsibilities of the Committee include:

- Ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- Reviewing the scope and planning of audit requirements;
- Reviewing findings of the Management in conjunction with the external auditors;
- Viewing the effectiveness of the Company's system of accounting and internal control;
- Making recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company; and
- Authorizing the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

BOARD COMMITTEES

The Board carries out its oversight functions through its standing committees. The purpose, composition, structure, functions and scope of authority for each committee are as determined by its terms of reference. The Board, in line with governance best practices has delegated some of its statutory powers to its committees which have been constituted in consideration of the skills and competencies of each member and mandated to carry out such role/functions assigned by the Board, in a manner that enables the Board to focus on more strategic business and operational matters. The Committees render regular reports at the Board meetings and make recommendations to the Board which makes the final decisions on all matters relating to the Company's affairs.

In line with best practice, the Chairman of the Board is not a member of any of the Board committees.

The Board has five (5) standing committees, namely:

- Audit Committee
- Credit and Investment Committee
- Finance and General-Purpose Committee
- Governance and Remuneration Committee
- Risk Management Committee

The standing committees of the Board and their respective members for the period under review are as follows:

BOARD AUDIT COMMITTEE

In 2024, the members of the Board Audit Committee were:

S/N	COMMITTEE MEMBERS
1.	Dr. Markie Idowu (Chairperson)*
2.	Dr. Olufemi Johnson
3.	Dr. Armstrong Takang*
4.	Dr. Olabanjo Obaleye

**Appointment was approved by CBN on April 24, 2024*

The Committee is tasked with the following responsibilities:

- Reviewing the financial reporting process, the internal control system, and management of financial risks, audit process and the process for monitoring the Company's compliance with statutory and regulatory guidelines;
- Reviewing the scope and planning of audit requirements;
- Reviewing the effectiveness of the Company's accounting systems, compliance with reporting standards and internal control;
- Submission of recommendations to the Board in relation to the appointment, removal and remuneration of the external auditors of the company;

- e. Monitoring the integrity of the Company's internal controls over financial reporting and Data Protection and Privacy practices;
- f. Monitoring the qualifications, independence and performance of the Company's external auditors and internal audit function;
- g. Reviewing of the annual audited financial statements and half yearly unaudited statements with management and the external auditors;
- h. Reviewing of whistle-blowing reports submitted by the Head of Internal Audit; and
- i. Any other duty as may be assigned by the Board.

BOARD CREDIT & INVESTMENT COMMITTEE

As at 31st December 2024, the members of the Board Credit & Investment Committee were:

S/N	COMMITTEE MEMBERS
1.	Aminu Umar-Sadiq (Chairman)
2.	Dr. Markie Idowu*
3.	Dr. Armstrong Takang*

**Appointment was approved by the CBN on April 24, 2024*

The Committee is tasked with the following responsibilities:

- a. Reviewing the credit and investment policies for the Company.
- b. Evaluating the Company's refinancing performance bi-annually.
- c. Reviewing applications for loans and making decisions upon such applications within the authority delegated to the Committee..
- d. Periodically reviewing management's strategies and activities for managing credit risk.
- e. Reviewing applicable stress testing results periodically.
- f. Monitoring the performance and quality of the Company's credit portfolio.

- g. Monitoring and ensuring adherence to and compliance with limits set out in the Company's policy statements.
- h. Reviewing and monitoring the effectiveness and application of credit risk management policies, standard and procedures.
- i. Any other duty, as may be assigned by the Board.

BOARD FINANCE AND GENERAL-PURPOSE COMMITTEE

As at 31st December 2024, the members of the Finance and General-Purpose Committee were:

S/N	COMMITTEE MEMBERS
1.	Dr. Olufemi Johnson (Chairman)
2.	Ms. Olufunke Aboyade, SAN*
3.	Ms. Bolaji Agbede**
4.	Dr. Olabanjo Obaleye

**Appointment was approved by the CBN on April 24, 2024*

***Appointment was approved by the CBN on July 29, 2024*

The Committee is tasked with the following responsibilities:

- a. Reviewing the integrity of the Company's financial reporting system;
- b. Ensuring that an appropriate internal control framework is established and maintained over the financial reporting process;
- c. Reviewing significant corporate finance, solvency and tax compliance;
- d. Reviewing the Company's financial projections on an annual basis. The annual reviews are preceded by quarterly performance reviews by the Executive Management. The reviews entail quarterly review of capital and operating budgets and actual performances;
- e. Reviewing contract awards for significant expenditure;
- f. Approving a comprehensive framework for the delegation of authority on financial matters; Reviewing and recommending for Board approval, the Company's dividend policy, including amount, nature and timing.

- g. Any other duty, as may be assigned by the Board.

Board Governance and Remuneration Committee

As at 31st December 2024, the members of the Governance and Remuneration Committee were:

S/N	COMMITTEE MEMBERS
1.	Ms. Olufunke Aboyade, SAN (Chairperson)*
2.	Dr. Markie Idowu*
3.	Dr. Olufemi Johnson**

*Appointment was approved by the CBN on April 24, 2024

** Assigned to the Committee in Q2, 2024

This Committee is tasked with the following responsibilities:

- Considering and recommending any proposed amendments to the Company's Memorandum and Articles of Association. The Committee also reviews and recommends amendments to the NMRC Code of Corporate Governance among other governance policies;
- Periodically reviewing the orientation processes for newly appointed members of the Board. The Committee also ensures Directors' continuing education programs;
- Reviewing all legislative, regulatory and corporate organisational practices that might affect NMRC's operations, and making recommendations to the Board;
- Making recommendations to the Board on corporate governance guidelines for NMRC.
- Considering reports on any views expressed by shareholders and other interested parties in relation to corporate governance;
- Ensuring that a peer review or other evaluation mechanisms are in place for Directors' evaluation, and that written reports on evaluation results are submitted to the Board;
- Determining the policy for the remuneration (including benefits, pension arrangements and termination payments) of the chief executive officer, executive directors and senior management staff of the Company;

- Reviewing Human Resource Management policies that may impact employee compensation and welfare;
- Reviewing the design of all share incentive plans for approval by the Board and the shareholders;
- Approving the design of, and determining targets for any performance related pay schemes for the Company;
- Overseeing any major changes in employee benefit structure throughout the Company; and
- Any other duty, as may be assigned by the Board.

BOARD RISK MANAGEMENT COMMITTEE

The members of the Risk Management Committee during the period under review were:

S/N	COMMITTEE MEMBERS
1.	Ms. Bolaji Agbede (Chairperson)*
2.	Mr. Aminu Umar-Sadiq**
3.	Dr. Olabanjo Obaleye**
4.	Mr. Kehinde Ogundimu

*Appointment was approved by CBN on July 29, 2024,

** Assigned to the Committee in Q2, 2024

The responsibilities of the Committee include:

- Reviewing and recommending for Board approval, the Company's Enterprise Risk Management framework;
- Reviewing and making recommendations for the approval of the Board, the NMRC's risk philosophy, risk appetite, and overall risk management principles;
- Reviewing and recommending for Board approval, policies and procedures for identifying, measuring and controlling risk;
- Reviewing risk reports on a regular and timely basis;
- Monitoring the Company's adherence to the requirements of the regulatory risk-based supervision and subsequent migration to Basel II compliance;
- Recommending appropriate internal control systems/framework;

- VII. Conducting quarterly reviews of the Company's risk management, risk profile, and risk mitigation policies;
- VIII. Reviewing and recommending solutions to the Company's identified inherent and residual risks; and
- IX. Any other duty as may be assigned by the Board.

BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

Provided below are details of Board and Board Committee meetings held in 2024 showing the frequency of the meetings and attendance of members.

BOARD MEETINGS

S/N	Name of Director	Role	14th February 2024	18th February 2024	21st March 2024	22nd May 2024	30th July 2024	20th November 2024
1	Mr. Yemi Adeola [#]	Chairman	✓	✓	✓	✓	✓	✓
2	Mr. Kehinde Ogundimu	MD	✓	✓	✓	✓	✓	✓
3	Ms. Olufunke Aboyade, SAN [*]	Independent NED	NM	NM	NM	✓	✓	✓
4	Ms. Bolaji Agbede ^{**}	NED	NM	NM	NM	NM	NM	✓
5	Dr. Markie Idowu [*]	Independent NED	NM	NM	NM	✓	✓	✓
6	Dr. Olufemi Johnson	NED	✓	✓	✓	✓	✓	✓
7	Dr. Olabanjo Obaleye	NED	✓	✓	✓	✓	✓	✓
8	Dr. Armstrong Takang [*]	NED	NM	NM	NM	✓	✓	✓
9	Mr. Aminu Umar-Sadiq	NED	✓	✓	☒	✓	✓	☒

LEGEND

✓ – Present

☒ – Absent with apology

NM – Not a member at the time of the meeting

[#] Appointed Chairman on March 21, 2024

^{*} Appointment was approved by CBN on April 24, 2024

^{**} Appointment was approved by CBN on July 29, 2024

BOARD COMMITTEE MEETINGS

BOARD AUDIT COMMITTEE

S/N	Names	Roles	13/03/2024	15/05/2024	23/07/2024	05/11/2024
1	Dr. Markie Idowu [*]	Chairperson	NM	✓	✓	✓
2	Dr. Olufemi Johnson	Member	✓	✓	✓	✓
3	Dr. Armstrong Takang [*]	Member	NM	✓	☒	☒
4	Dr. Olabanjo Obaleye	Member	✓	✓	✓	✓

^{*}Appointment approved by CBN on April 24, 2024

NM - Not a member at the time of the meeting

BOARD CREDIT AND INVESTMENT COMMITTEE

S/N	Names	Roles	06/03/2024	14/05/2024	17/07/2024	07/11/2024
1	Mr. Aminu Umar-Sadiq*	Chairman	NMT	✓	✓	✓
2	Dr. Markie Idowu*	Member	NM	✓	✓	✓
3	Dr. Armstrong Takang*	Member	NM	✓	✓	✓

*Appointment approved by CBN on April 24, 2024

NM - Not a member at the time of the meeting

NMT - No meeting held because of the shortage in number of the members of the Committee

FINANCE AND GENERAL-PURPOSE COMMITTEE

S/N	Names	Roles	14/03/2024	16/05/2024	24/07/2024	13/11/2024
1	Mr. Yemi Adeola	Chairman (Till end of Q1 2024)	✓	NM	NM	NM
2	Dr. Olufemi Johnson	Chairman (W.E.F Q2 2024)	✓	✓	✓	✓
3	Ms. Bolaji Agbede*	Member	NM	NM	NM	✓
4	Ms. Olufunke Aboyade, SAN**	Member	NM	✓	✓	✓
5	Dr. Olabanjo Obaleye	Member	✓	✓	✓	✓

*Appointment approved by CBN on July 29, 2024

**Appointment approved by CBN on April 24, 2024

NM - Not a member at the time of the meeting

W.E.F - With effect from

GOVERNANCE AND REMUNERATION COMMITTEE

S/N	Names	Roles	19/03/2024	16/05/2024	24/07/2024	13/11/2024
1	Mr. Yemi Adeola	Ag. Chairman (Q1 2024)	✓	NM	NM	NM
2	Dr. Femi Johnson*	Member	NM	✓	✓	✓
3	Ms. Olufunke Aboyade, SAN**	Chairperson	NM	✓	✓	✓
4	Dr. Markie Idowu**	Member	NM	✓	✓	✓
5	Mr. Aminu Umar-Sadiq***	Member	✓	NM	NM	NM

* Assigned to the Committee in Q2 2024

*** Ceased to be a member in Q2 2024

**Appointment approved by CBN on April 24, 2024

NM - Not a member at the time of the meeting

RISK MANAGEMENT COMMITTEE

S/N	Names	Roles	13/03/2024	14/05/2024	17/07/2024	07/11/2024
1	Dr. Femi Johnson	Ag. Chairman (Q1 2024)	✓	NM	NM	NM
2	Mr. Kehinde Ogundimu	Member	✓	✓	✓	✓
3	Ms. Bolaji Agbede*	Chairman	NM	NM	NM	✓
4	Mr. Aminu Umar-Sadiq**	Member	NM	✓	✓	☑
5	Dr. Olabanjo Obaleye***	Member	NM	✓	✓	✓

*Appointment approved by CBN on July 29, 2024

**Assigned to the Committee in Q2 2024

*** Assigned to the Committee in Q2 2024 and Chaired the Q2 & Q3 2024 meetings

NM - Not a member at the time of the meeting

STATUTORY AUDIT COMMITTEE

S/N	Names	Roles	13/03/2024	05/11/2024
1	Mr. Ayo Olowookere	Chairman*	✓	✓
2	Dr. Olufemi Johnson	Member•	✓	✓
3	Dr. Olabanjo Obaleye	Member•	✓	✓
4	Dr. Olumide Adedeji#	Member*	NM	✓
5	Mr. George Oko-Oboh##	Member*	✓	NM
6	Mrs. Ruby Okoro	Member*	☑	✓

* Shareholder Representative

• Non-Executive Director

Appointed on June 5, 2024

Ceased to be a member of the Committee on May 31, 2024

NM Not a member at the time of the meeting

Company's Business Principles and Codes of Practice

The Company's business principles and codes of practice are enunciated in various policies approved by the Board. These include among others, **the Code of Ethics and Business Conduct; Conflict of Interest; Anti-bribery and Corruption Policy, Related Party Transactions, Insider Trading, and the Code of Corporate Governance.**

The policies define behaviour and conduct expected of the Board, Management and staff of NMRC. The policies are aimed at promoting among employees, a culture consistent with the Company's core values and establishing acceptable standards of ethical behaviour

for staff. Employees of the Company are required to act in accordance with all applicable laws and regulations.

Some of the major Business Principles and codes of practice of the NMRC include the following:

- Directors and employees are expected to adopt utmost professional care and conduct in the exercise of their duties and to exhibit proficiency and knowledge in their work.
- Directors and employees are strictly prohibited from giving or accepting bribes in the performance of their official duties, even if such actions result in a loss of business for the Company.

- The Company prohibits any form of sexual harassment and victimisation or discrimination on the grounds of age, disability, gender, marital status, religion, or ethnicity.
- Directors are to promptly disclose to the Board any real or potential conflict of interest that they may have regarding any matter that may come before the Board or its committees.
- NMRC personnel shall not offer, give or receive gifts from persons or entities that deal with the NMRC in situations where any such gift may be considered as being made to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest or be construed as a bribe or payoff, or violates any existing law, rule or regulation.

The Company's policies commit NMRC, its Board, management and other employees to the highest standards of professional behaviour, business conduct and sustainable business practices. Directors and employees are all expected to sign a yearly undertaking to abide by the provisions of the policies. Employees are also encouraged to report unlawful/unethical behaviour and actively promote ethical behaviour. Protection is provided for those who report violations in good faith, through the whistle blowing channels. There are established mechanisms for monitoring compliance with NMRC's business principles by both Directors and employees.



Code of Business Ethics

The Company has in place a Code of Ethics and Business Conduct for its employees. This Code aims at promoting among employees, a culture consistent with the Company's core values and establishes acceptable standards of ethical behaviour for staff. Employees of the Company are required to act in accordance with all applicable laws and regulations as the Company will not condone employees who violate the law or ethical standards whether specifically provided for in the Code or otherwise. All employees undertake to abide by the provisions of this Code and new employees are required to read and agree to the terms of the code during the course of their employment. The Internal Audit Function is responsible for full compliance with the provisions of this Code.



Whistle Blowing Policy

The Company in observance of sound Corporate Governance principles has an established Whistle Blowing Policy. This Policy provides a confidential avenue for reporting cases of fraud and other forms of misconduct

which are inimical to the Company's ethos. The Company has a dedicated phone number and an e-mail address through which complaints/reports can be received. The email address is whistleblower@nmrc.com.ng. The Policy is also hosted on the Company's website - www.nmrc.com.ng



Equal Opportunity Employment Policy

NMRC is committed to a policy and practice of ensuring that all matters relating to employment and career progression within the Company are anchored on qualification and merit. The Company does not discriminate on the basis of gender, race, sex, disability or any such considerations. As much as possible, the Company seeks to maintain gender balance in our staff and board composition, without compromising merit. The Company has made progress in terms of gender diversity, as it currently has three (3) female directors on the board. The Company will continue to implement its gender diversity goals as set by the Board in accordance with its relevant policies. The Company is also working towards increasing female participation in its management.

Applications by persons with disabilities are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company

continues, and that appropriate support and training is provided. It is the policy of the Company that the training, career development and promotion of disabled persons should as far as possible, be identical with those of other employees.



Health, Safety and Welfare at Work

The Company enforces strict health and safety rules and practices within the work environment, which are reviewed and tested regularly. The Company retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Company's expense under the Health Insurance Scheme.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises, while occasional fire drills are conducted to create awareness amongst staff.

The Company operates both Group Personal Accident and Employees' Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act. No health and safety related incident was recorded in the year under review.

The Company has established a Health and Safety culture that seeks to protect and promote the health of its workforce, while also ensuring there are no injuries to any third-party employee working within the Company's premises. To achieve these, the Company subjects itself to scrutiny from the local Health & Safety Authorities and ensures it remains compliant to all applicable HSE regulations.



Company's Policies, Plans and Strategies to Address the Impact of Diseases on Staff and their Families

The health and overall wellbeing of staff and their families are accorded top priority by NMRC. The

Company therefore provides comprehensive health insurance cover for its staff and their families. Our health insurance plans cover staff, their spouses and up to four (4) children. The plans provide care for conditions ranging from malaria, ante-natal care, delivery costs, vaccinations and management of chronic conditions, including HIV/AIDS which require continuous medication



Employee Training and Development

The Company ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

Employee development is seen as the avenue for equipping employees with requisite competencies that will enable them to effectively perform their duties and fit into future roles, as well as for building an empowered and knowledgeable workforce. In the light of this, the Company's Human Resources function maintains a competency framework which indicates the minimum competency requirement for employees per job grade.

In accordance with the Company's policy of continuous development, training facilities are provided in well-equipped training centers. Training programmes are delivered through a combination of on-the-job learning, in-house knowledge building sessions, e-learning and off-site training programmes facilitated by reputable training providers.



Directors' Training and Induction

NMRC attaches great importance to the training of Directors, and therefore organises training for its Directors both on the specifics of the Company business as well as on their leadership roles as Directors of the Company. The goals of the trainings are usually to support the Board in delivering its strategy, and the specific development of each

Director on the Board. Such trainings which are organised by the Company Secretariat could be domestic or take place offshore and are facilitated by seasoned faculty members who are experienced in providing trainings of this nature.

The Directors' training during the period under review took place virtually and was coordinated by IBFC Alliance LTD. The training session covered topics relating to Environmental Social and Governance, Anti-Money Laundering and Data Protection compliance.

The Company has an onboarding process manual which provides guidelines for conducting a formal orientation and induction for all persons appointed to the Board of Directors of the Company. The induction programme is usually personalised for each new Director and helps them identify how their background, knowledge, experience, and skills can contribute to the activities of the Board, and the achievement of the mandate of the Company in general.

As part of the induction process, new Directors are required to meet with the Chairman, the Chief Executive Officer, and other members of the Board of Directors. Thereafter, new Directors are provided with an NMRC Governance Handbook containing the constitutional documents of the Company, charter of the Board and various Board committees and the major policies of the Company,



Remuneration Policy

In recognition of the fact that its ability to attract and retain the right talent is critical to its success, the Company has a compensation policy in place which ensures that it delivers competitive remuneration to its employees. The goal of this policy is to ensure that the Company's compensation structures motivate sustained high performance and are linked to corporate performance. The Company conducts compensation surveys from time to time to determine market trends and benchmark the Company's pay against those of similar organisations in the industry.

Total compensation payable to employees will typically include guaranteed pay, variable pay, and benefits-in-kind.

While the guaranteed pay is inclusive of the base pay and other allowances which are payable at periodic intervals, the variable pay is linked to performance and incorporates features of both short and long-term incentives. NMRC also provides non-monetary compensation such as medical insurance, professionals and club memberships, mobile phones with voice and data, to its employees to supplement their cash remuneration. NMRC also complies with the Pension Reform Act on the provision of retirement benefits to employees at all levels.

The Company also has a Directors' compensation policy in place which sets out the framework for remuneration and other forms of compensation that will be available to members of its Board of Directors. The policy was established in line with NMRC's commitment to the observance of best practice in its corporate governance processes and compliance with relevant laws, regulations and standards. The Board Governance and Remuneration Committee is responsible for making recommendations on Directors' compensation structure to the Board of Directors. The remuneration of the Executive Directors is as far as possible, structured to link rewards to corporate and individual performance and where possible, the remuneration of Directors is benchmarked with organisations of similar size and standards in the financial industry.

POLICY ESTABLISHED DURING THE YEAR:

Data Protection and Privacy – Policy & Procedure Manual

The Data Protection and Privacy – Policy & Procedure Manual is designed to protect the personal and sensitive information maintained by NMRC. This policy was reviewed to ensure that the policy is in compliance with the Nigeria Data Protection Act.

Records and Documents Management Policy

The Records and Documents Management Policy is designed to govern NMRC on how it creates, stores, manages, and disposes of its records and documents in its course of operations. The review of the Policy was to ensure that a data retention provision was inserted, and the Document Management Schedule is revised to align with extant laws in Nigeria, particularly the Nigeria Data Protection Act, 2023.

Fraud and Forgeries Report

There was no incident of fraud or forgery during the year ended December 31, 2024. The internal control environment continues to provide strong safeguards against fraud and irregularities. Proactive measures are put in place to provide further assurance on the safety and security of the Company's assets. Nil returns on Fraud and Forgeries were rendered to the Central Bank of Nigeria (CBN) during the year. The Board and management of NMRC continue to set the right tone at the top, through their zero tolerance for fraud, forgery or any irregularity.

TENURE OF DIRECTORS

To ensure continuity, the tenure of the Non-Executive Directors is a fixed term of four (4) years renewable twice i.e. a maximum of twelve (12) years, while the tenure of Independent Directors is for a fixed term of four (4) years renewable once i.e a maximum of eight (8) years. This is in accordance with Paragraphs 2.4.6 and 2.4.7 of the CBN Code of Corporate Governance for Mortgage Refinance Companies in Nigeria. The tenure of the CEO is for a fixed term of 5 years renewable once i.e. a maximum of 10 years, subject to the provisions of the CEO's Contract of Service. This is in accordance with Paragraph 2.4.8 of the CBN Code of Corporate Governance for Mortgage Refinance Companies in Nigeria.

The utilised tenure of service of each director that served during the period under review is provided below :

S/N	Names	Type of Directorship	Tenure
1	Mr. Yemi Adeola	Chairman (Non-Executive Director)	11 years
2	Mr. Kehinde Ogundimu	Chief Executive Officer / Managing Director	6 years, 1 month*
3	Ms. Bolaji Agbede	Non-Executive Director	5 months
4	Dr. Olufemi Johnson	Non-Executive Director	11 years
5	Dr. Olabanjo Obaleye	Non-Executive Director	4 years, 6 months
6	Dr. Armstrong Takang	Non-Executive Director	8 months
7	Mr. Aminu Umar-Sadiq	Non-Executive Director	1 year, 9 months
8	Ms. Olufunke Aboyade, SAN	Independent Non-Executive Director	8 months
9	Dr. Markie Idowu	Independent Non-Executive Director	8 months

* Appointed as MD/CEO on December 1, 2018.

THE COMPANY SECRETARY AND ITS ROLE

The Company Secretary serves as a focal point of reference and support for all Directors, maintaining regular consultations to ensure they receive timely and accurate information.

The Company Secretary plays a pivotal role in facilitating effective communication among Board members, and between the Board and Management. In relation to Board and Committee meetings, the Company Secretary is responsible for the preparation and distribution of relevant papers and documentation necessary for informed and productive deliberations.

Additionally, the Company Secretary oversees the induction of new Directors and coordinates training programmes for Non-Executive and Independent Directors. The Company Secretary also acts as a channel through which shareholders can access corporate information on the Company.

The Company Secretary ensures that the Company complies with the relevant regulatory frameworks, including the CBN Regulatory and Supervisory Framework for the Operations of a Mortgage Refinance Company, the Central Bank of Nigeria Code of Corporate Governance for Mortgage Refinance Companies in Nigeria and the Companies and Allied Matters Act.

The Company Secretary provides support to the Board in the implementation of the NMRC Code of Corporate Governance, organises Board meetings and ensures that the minutes of the Board accurately reflects the deliberations and resolutions passed.

Furthermore, it is the responsibility of the Company Secretary to ensure adherence to all applicable regulations and internal policies of the Company, including the Memorandum and Articles of Association.

The procedure for the appointment and removal of the Company Secretary is governed by the provisions of the Companies and Allied Matters Act 2020.

Statement of Corporate Responsibility for the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

In line with the provisions of Section 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2024 and based on our knowledge confirm as follows:

1. The audited financial statements do not contain any untrue statements of material fact or omit to state a material fact, which would make the statements misleading considering the circumstance under which such statements were made.
2. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the period ended 31 December 2024.
3. The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditors in the course of the audit.
4. The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2024.
5. We have disclosed to the Company's Auditors and the Audit Committee the following information:
 - a. there were no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the audit
 - b. there is no fraud involving management or other employees which could have any significant role in the Company's internal control.
6. There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



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



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



CORPORATE SERVICES LIMITED

24th March 2025

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF NIGERIA MORTGAGE REFINANCE COMPANY PLC FOR THE FINANCIAL YEAR-ENDED 31ST DECEMBER 2024

DCSL Corporate Services Limited (DCSL) was engaged by Nigeria Mortgage Refinance Company Plc ("the Company") to conduct an evaluation of the performance of the Board of Directors for the financial year-ended December 31, 2024. This assessment was carried out in line with **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG Code")**, the **Securities and Exchange Commission Corporate Governance Guidelines 2020 (SCGG)**, the **Central Bank of Nigeria Code of Corporate Governance for Mortgage Refinance Companies in Nigeria (CBN Code)** and the **Companies and Allied Matters Act 2020 (CAMA)**, as well as global best practices on Corporate Governance.

The evaluation involved a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other relevant documents provided to us. Additionally, we administered questionnaires to Directors to assess compliance with relevant corporate governance principles and evaluate the Board's performance. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the SCGG, CBN Code and NCCG as well as global Best Practices, focusing on the following seven (7) key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our assessment of the Company's corporate governance practices and procedures reveals that the Board remains committed to upholding strong governance standards, consistent with the principles of the SCGG, NCCG, the CBN Code and other applicable laws and regulations, as well as and international best practices. We are confident that the Board's commitment to ethical standards and transparency will continue to guide the Company's operations and decision making processes.

We have proffered recommendations to address the areas requiring improvement and are satisfied that the Board will take appropriate steps to implement these.

Yours faithfully,

For: DCSL Corporate Services Ltd



Bisi Adeyemi

Managing Director

FRC/2013/PRO/DIR/003/00000002716

Directors: Abel O. Ajayi (Chairman) – Bisi Adeyemi (Managing Director) – Adeniyi Obe – Dr Anino Emuwa – Lekan Belo – Anne Agbo (Executive Director)

DCSL Head Office
235 Ikedun Road, Ilupeju
P.O. Box 965, Marina, Lagos
Tel: +234 (1) 271 7816-7 / 0809 038 1864

Abeja Office
Suite A05, The Statement Hotels
Plot 1002, 1st Avenue, Off Shehu Shagari Way
Central Business District, Abeja, Nigeria

RC NO: 352393

info@dcsl.com.ng
www.dcsll.com.ng

Risk Management

The Nigeria Mortgage Refinance Company PLC (NMRC) adopts an enterprise-wide approach to the oversight and management of risks across its business and operations. The foundation of the Company's risk management is centred on sustainable finance. NMRC aligns with local regulatory and International best practises in managing risks in an Enterprise-wide basis. The Company is conservative and practical in the application of risk oversight and management which form the foundation of its business model and choice of activities.

The Risk Management function in NMRC is proactive, effective, and driven through the use of technology. The Company's risk function identifies risks inherent and residual in the Company's business and operations and ensures that adequate controls, mitigants, effective monitoring, and reporting and are being done to manage these risks. Risks exposures/limits are planned and articulated through documented Risk Appetite Statement, Risk Acceptance Criteria and a Target Market Plan. The Uniform Underwriting Standards (UUS), Enterprise Risk Management framework, and Risk Policies which are approved by the Board of Directors articulate the Company's risk choices and limits in practical and applicable terms. The Risk Management function ensures that strategies and policies that drive risks controls are comprehensive and robust. Risks policies are approved by the Board and are reviewed and renewed periodically to ensure they remain anticipatory, current, and responsive to emerging developments in the operating and global risk environment.

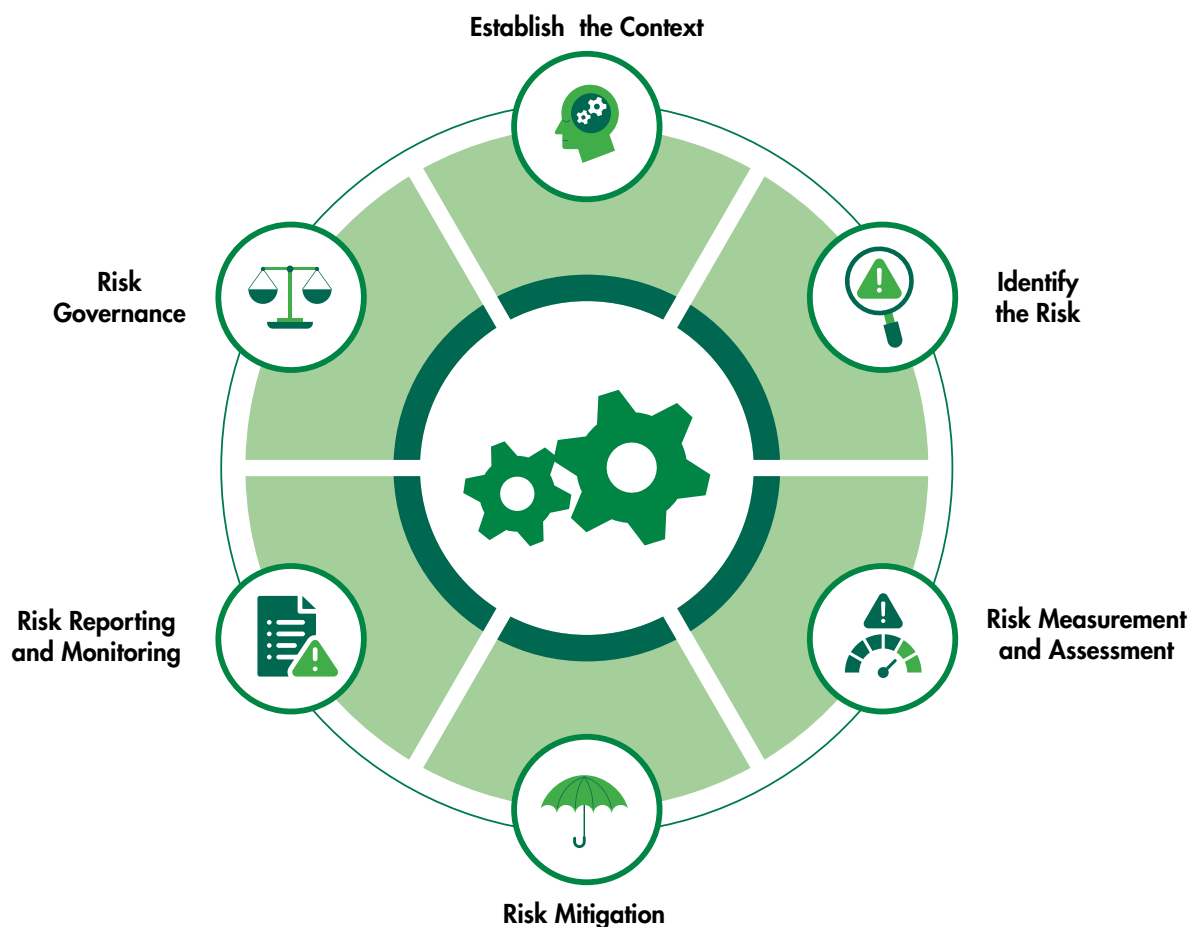
Risk management activities are driven using technology in order to achieve standardisation and enforcement of policies, processes, controls and mitigants. NMRC regularly reviews risk exposure limits and conducts risk control and self-assessment, key risk indicator monitoring, and risk assessments to identify new risks and better prepare against adverse conditions. NMRC deploys these tools to predict and successfully manage both the local and global potential shocks and their impacts on the macroeconomy and mortgage business. Market volatilities and economic

uncertainties are typically assessed as NMRC regularly subjects its exposures and capital to a range of stress tests. The Company monitors credit risk exposures through regular extensive reviews of refinanced banks and the underlying refinanced portfolio performances. NMRC uses an internal bespoke risk scoring and monitoring models to implement these. The Company also reviews profiles of new borrowers and their potential portfolios on a comparative risk-adjusted basis. The risk reviews are comprehensive and usually cover historical, current, forecast, and stress test of the macroeconomy (both internationally and country based), obligors, the underlying portfolios and the mortgage sub-sector itself.

The Risk function also collaborates with the ICT department in the management and deployment of technology in the execution of the Company's business activities and risk controls. Cybersecurity risk is a major risk that is anticipated due to its prevalence in the finance industry. Business Continuity tests are carried out on a quarterly basis. System penetration and vulnerability testing are also deployed and outcomes evaluated and reported. Operational risk management including Employee and workplace safety, systems and processes controls, internal and external fraud identification and management, etc. also form top priority in NMRC's risk management practices.

During the year, NMRC maintained its defined risk standard and culture while also ensuring capacity building of its staff. Trainings on AML/CFT/CPF and other related risk management concepts were conducted for NMRC staff. Mortgage portfolios of banks were refinanced during the year. The Company deployed Eazybank for refinancing to banks and also continued using MMS for mortgage transactions underwriting and administration.

NMRC complied with the requirements on AML/CFT/CPF regulations and reporting. ESG requirements and reporting as prescribed by CBN were also implemented, monitored and reported to ensure the Company abides by the principle of sustainable financing.



NMRC's Risk Management Framework

Enterprise Risk Management Framework forms part of NMRC's culture that is embedded in the company's business processes and practices. NMRC's Risk Management Framework is comprehensive and robust, it details how risk management will be governed in the company alongside other critical risk processes including risks identification, reporting, measurement and mitigation. The framework lists the Board and relevant committees under the Board that would manage risks of the Company. The responsibilities and accountabilities of the Board of Directors ("the Board"), Board Risk Management Committee, Board Credit and Investment Committee, Board Audit Committee, Management Credit Committee, Management Risk Committee, Asset and Liability Management Committee, Chief Executive Officer, Risk Management Department, Internal Audit Department and NMRC employees relating to risk management are duly outlined in the risk management framework.

NMRC's enterprise risk management framework articulates the Risk Management philosophy and the Risk Acceptance Criteria (RAC) of NMRC which are aligned with the Company's business strategy of responsible and sustainable finance and profitability. The framework specifies the Uniform Underwriting Standards (UUS) as the set of standards for granting mortgage loans that will qualify for NMRC's refinancing.

The Uniform Underwriting Standards (UUS) helps NMRC and other stakeholders to:

- I. Establish mortgage lending standards and procedures within the Nigerian mortgage market, thereby facilitating improved access to housing finance; and
- II. Develop and institutionalize criteria for acceptable mortgage loans, including payment performance, financial terms, legal contract terms, mortgage loan product designs, mortgage loan underwriting criteria, and the contents of mortgage loan documents.

Lending standards promote efficiency and mitigate the legal and operational risks inherent in mortgage lending by ensuring quality collateral, adequate property title, proper registration, enforcement of legal mortgages, and maintenance of efficient collection processes. Such standards balance the requirements of responsible finance with lenders' needs to enforce loan contracts. NMRC's goal is to act as a catalytic and focused advocate to address the issues of standardization and effective risk management.

NMRC has also put in place adequate internal control systems to manage its business and operations.

NMRC's risk management framework has been designed to drive the achievement of the following strategic objectives:

- I. To encourage financial institutions to increase mortgage lending by providing them with long term funding;
- II. To increase the maturity structure of mortgage loans and assist to reduce mortgage default rates;
- III. To increase the efficiency of mortgage lending by taking a lead role in proposing changes to the enabling environment for mortgage lending through standardization of mortgage lending practices of financial institutions; and,
- IV. To introduce a new class of high quality long-term assets to the pension funds and other investors.



NMRC's risk management framework provides for four lines of defence in managing risks within the Company:

- I. Business units/departments are the first line of defence, and have the primary responsibility of identifying, mitigating and managing risks within their scope of operation. They also ensure that their day-to-day activities are carried out within established risk policies, procedures and limits.
 - II. An independent Risk Management Department plays the role of second line of defence by providing specialized resources to anticipate and manage risks. These include the assessment of risk exposures and the coordination of risk management on an enterprise-wide basis. The Risk Management Department is also responsible for ensuring that risk policies are implemented effectively. The compliance unit forms part of the second line of defence is responsible for ensuring compliance with applicable laws, regulations and standards.
 - III. The Internal Audit Department is the third line of defence and is responsible for independently overseeing the adequacy and effectiveness of risk management processes, system of internal controls and compliance with risk policies. The third line of defence is also supported by reviews of supervisory/regulatory bodies and external auditors.
 - IV. The fourth line of defence is the Company's Board oversight. The Board through the following committees namely the Board Risk Committee and Board Credit and Investment Committee provides oversight functions on risks in the Company. Committee meetings are held at least quarterly, where reports are presented and deliberated upon. The committee also approves policies and risk exposure/transaction limits.
- b) approving firm-wide standards for different types of risk including e.g. credit risk, market risk and operational risk;
 - c) identifying, understanding and assessing the types of risk inherent in the NMRC's business activities or major new products or services to be launched; laying down the risk management strategies;
 - d) approving a risk management framework consistent with NMRC's business strategies and risk appetite; determining that the risk management framework is properly implemented and maintained;
 - e) reviewing the risk management framework periodically to determine their adequacy in comparison to the prevailing business conditions;
 - f) determining that there are clear reporting lines and responsibilities for the risk management function;
 - g) approving the allocation of resources to business units or divisions in accordance with NMRC's risk appetite;
 - h) maintaining continued awareness of any changes in the Company's risk profile; and
 - i) approving the provision of adequate resources (e.g. financial, technical expertise and systems technology) for risk management purposes.

The Board Risk Committee assists the Board by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage the Company's risks. The Board Risk Committee is supported by management committees in addressing any key risks identified.

The Management Risk Committee, and Asset and Liability Management Committee which are constituted by senior management of NMRC and chaired by its CEO, undertakes the oversight function for capital allocation and prescription of overall risk limits, aligning them to the risk appetite set by the Board. Management is also responsible for the implementation of policies laid down by the Board and ensuring there are adequate and effective operational procedures, internal controls and systems to support these policies.

NMRC's Risk Governance Structure

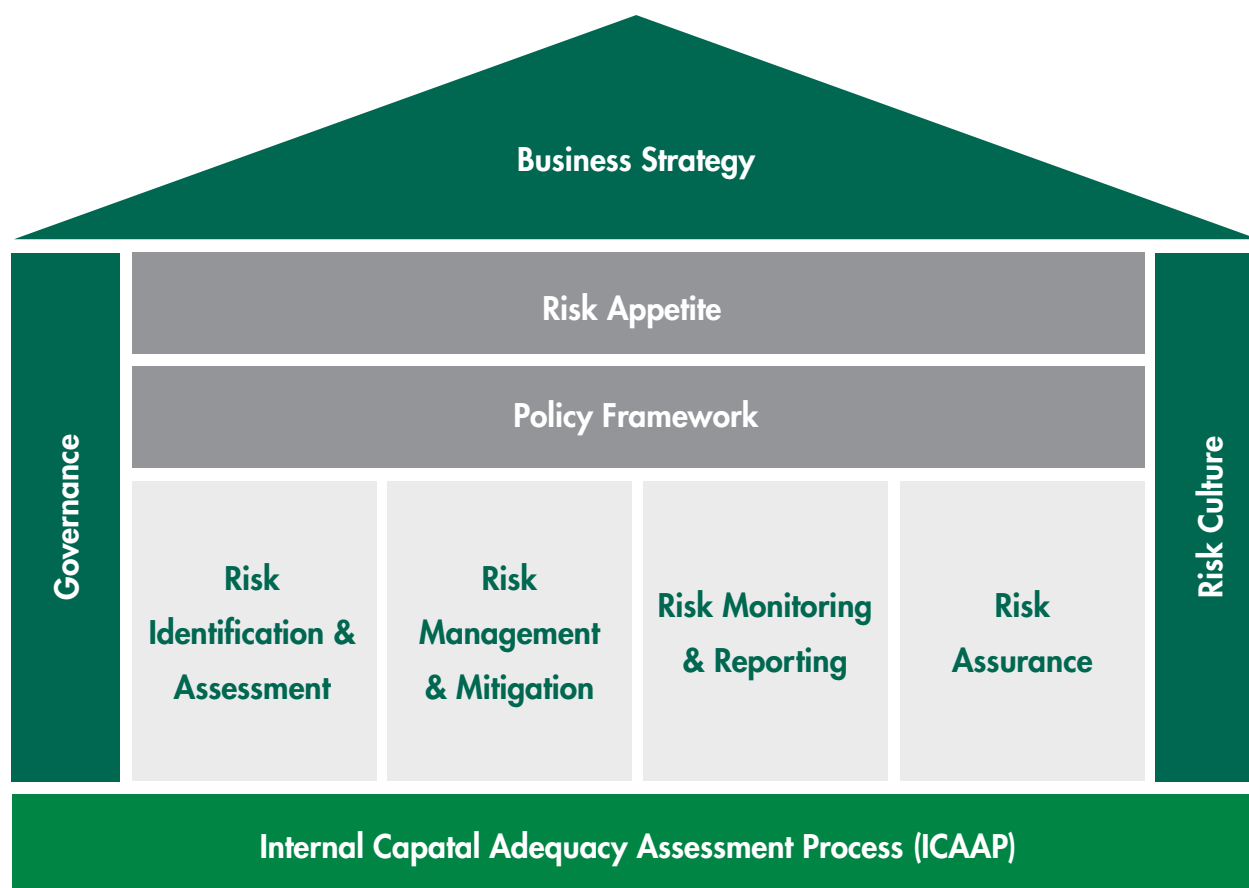
The Board is primarily and ultimately responsible for setting the overall strategic direction for NMRC. The Board provides oversight to ensure that Management has appropriate risk management systems and practices established to manage risks associated with the Company's operations and activities. The Board achieves this through:

- a) setting the overall tone of the Company's risk appetite and ensuring that this is well enshrined in its corporate culture;

The Risk Management Department

The Risk Management Department is responsible for identifying, measuring, analysing, controlling, monitoring and reporting of risk exposures and coordinating the management of risks on an enterprise-wide basis. Risk management function in NMRC carries out the following key functions:

- Identify, manage and report existing and emerging risks to the Management and Board of Directors
- Enhance credit ratings, external and regulatory evaluations of the Company
- Institute a risk culture that empowers and encourages staff at all levels to be risk sensitive and risk managers
- Protect against expected and unexpected losses in the Company
- Reduce earnings volatility
- Maximise shareholders' value and stakeholders' protection.



Scope of risks

NMRC adopts an integral risk management model where all aspects of risk management are considered and managed. Risks managed by NMRC include:

- Credit Risk
- Market and liquidity Risk
- Operational Risk
- Legal Risk
- Compliance Risk
- Business Risk
- Capital Risk
- Strategic Risk
- Reputational Risk
- Environmental & Social Risk



Credit Risk Management

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 NMRC arises from its mortgage refinancing (Purchase with Recourse (PVVR)) business, investments and treasury 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.

Market & Liquidity Risk Management

Market risk is defined as potential loss arising from movements of market prices and rates. Liquidity risk arises

when NMRC does not have sufficient funds to meet its financial obligations when they fall due. NMRC 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, 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. NMRC plans its cash flow and monitors closely every business transaction 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.

Operational Risk Management

Operational risk is the potential loss resulting from inadequate or failed internal processes, people and systems, or from external events. Each business/department undertakes self-assessment of its own risk and control environment to identify, assess and manage its operational risks. NMRC has established comprehensive internal controls, systems and procedures that are subject to regular review by both internal and external auditors. Business Continuity Plans are in place to minimize unexpected disruption and reduce time to restore operations.

Strategic Risk Management

Strategic risk is the risk of not achieving the Company's corporate strategy and goals, which may be caused by internal factors such as deficiency in performance planning, execution and monitoring, and external factors such as market environment. Strategic risk management is addressed by the Board's involvement in the setting of the Company strategic goals. The Board is regularly updated on matters affecting corporate strategy implementation and corporate transactions. The Company also conducts regular business review/strategy sessions to track business performance against strategic goals.

Reputational Risk Management

NMRC's reputation and image as perceived by clients, investors, regulators and the general public is of utmost importance to the continued growth and success of the Company's business and operations. Invariably, reputational risk is dependent on the nature/ model of business, selection of clients and counterparties and reliability and effectiveness of business processes. Stringent screening of potential clients and partnerships and design of business in accordance with high standards and regulatory compliance are incorporated to safeguard the company's business reputation and image.

Compliance Risk Management

Compliance risk is the risk to earnings, capital or reputation occurring from violation of or non-conformity with laws, regulations, prescribed practices or ethical standards and may result in fines, penalties, payment of damages and voiding of contracts. The Board has an oversight function of the compliance risk framework for NMRC. In managing Compliance Risk, NMRC engages PMLs directly, constantly monitoring their obligations in fulfilling their due diligence

activities. These include ensuring that the PMLs:

- i. Have adequate compliance policies and procedures;
- ii. Have designated Compliance Departments;
- iii. Have a Chief Compliance Officer in accordance with regulatory specifications;
- iv. Render regulatory returns and reports in strict accordance with specifications by the regulatory bodies;
- v. Conduct Compliance AML/CFT/CPF trainings for staff of PMLs.

Anti-Money Laundering/Combating Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF)

NMRC is committed to cooperating with the Government and agencies coordinating the implementation of AML/CFT/CPF laws and regulations with a view to preventing the Company from being used as a channel for such activities. NMRC's Policies and Procedure are established to ensure compliance with the applicable laws of the country. NMRC supports its staff to achieve the highest standard of compliance integrity. The employees of NMRC undergo periodic trainings to help them to be fully aware of both NMRC's commitment to preventing Money Laundering and Terrorism Financing, and their personal responsibilities and obligations in achieving this goal. The training is also extended to staff of Partner Banks to build their capacities in AML/CFT/CPF Compliance management.

Information Security and IT Risk Management

Information security is the process by which NMRC protects and secures systems, media and facilities that process and maintain information vital to its business operations. NMRC has put in place an adequate assessment system that identifies the value and sensitivity of information and system components as well as the exposure from threats and vulnerabilities. All computerized confidential information stored on computers, laptops or the centralized NMRC server and to which access is obtained via communications facilities are protected using the latest firewall software. Periodic evaluations of the adequacy of the controls are carried out to ensure up to date protection. Awareness programs are also done for all staff to ensure staff members appreciate and protect the Company's systems from cyber attacks.

Legal Risk Management

Legal risk is the risk of real or threatened litigation against NMRC. Legal risks can represent significant costs to NMRC, disrupt the operation of NMRC and reduce the earnings and capital of NMRC. Legal risk may arise from unenforceable contracts; law suits; adverse judgments; and loss of corporate focus. NMRC has established a legal risk policy to address any potential legal risks within the Company.

Whistle Blowing Structures

The Whistle Blowing Policy provides for dedicated phone lines as well as email addresses for the communication of any act that violates sound ethics and the corporate governance code of the Company. The Policy also provides protection for the whistle blower and incentives for whistle blowers who report issues that are found to be true and could negatively impact on the Company's operations where not promptly reported.

Internal Control Systems

NMRC's internal control system encompasses the following key processes:

Authority and Responsibility

- An organisational structure, job descriptions and Key Results Areas (KRA), which clearly define lines of responsibility and accountability aligned to business and operational requirements.
- Clearly defined lines of responsibility and delegation of authority to the Committees of the Board, Management and staff.
- Management has also set up key Management Committees to ensure effective management and supervision of the areas under the respective Committees' purview.

Planning, Monitoring and Reporting

- An Annual Business Plan and Budget is developed, presented and approved by the Board before implementation. In addition, actual performances are reviewed against the targeted results on a monthly basis allowing timely responses and corrective

actions to be taken to mitigate risks. The result of such performance review is reported to the Board on a quarterly basis. Where necessary, Business Plan and Budget are revised mid-year, taking into account any changes in business conditions.

- Regular reporting to the Board and the Board Committees. Reports on the financial position, status of loans and debts purchased, bonds and notes issued are provided to the Board at least once a quarter. Where necessary, other issues such as legal, accounting and other relevant matters will also be reported to the Board.
- Regular and comprehensive information are provided to Management covering financial and operational reports at least on a monthly basis.

Policies and Procedure Manuals

Clear, formalized and documented internal policies and procedures manuals are in place to ensure compliance with internal controls and relevant laws and regulations. Regular reviews are performed to ensure that documentation remains current and relevant.

Independent Review by Internal Audit Department

- The Internal Audit Department provides assurance to the Board by conducting an independent review on the adequacy, effectiveness and integrity of the system of internal controls. It adopts a risk-based approach in accordance with the annual audit plan approved by the Committee. The results of audits are presented to the Board Audit Committee.
- The audit plan and audit reports are also submitted to the Board and the respective Board Committees to inform of any weaknesses in the internal controls system.

Business Continuity Planning

A Business Continuity Plan (BCP), including a Disaster Recovery Plan is in place to ensure continuity of business operations. The plan is also tested regularly to provide assurance on its adequacy.

Sustainability Report

Environmental and social sustainability is a core part of NMRC's commitment to responsible financing. Sustainability is embedded into the core business strategy of the Company. NMRC aligns with the Central Bank of Nigeria's Sustainability Principles and International best practices in managing Environmental and Social risks, and applies these principles in the day to day running of its businesses and operations.

In NMRC, sustainability is implemented, managed, monitored, and reported through its Environmental, social and governance (ESG) framework. NMRC's sustainability practice is guided by NMRC's ESG framework which assesses the organization's business practices and performance on various sustainability and ethical issues. The ESG framework is centred on three pillars: Environment, Social and Governance. The Company's Board is primarily and ultimately responsible for setting the overall sustainability direction for the Company. The Board performs oversight

responsibilities to ensure that Management puts in place appropriate practices to manage ESG risks associated with the Company's operations and activities.

NMRC has an ESG policy approved by the Board. The policy outlines NMRC's commitment to sustainable finance in its business relationships and sets the pace for suitable procedures and workflows which will ensure NMRC's compliance with applicable environmental and social legislation and regulatory requirements, as well as those of international financial institutions providing support to NMRC such as the World Bank/IFC.

NMRC's ESG practices focuses on people and culture, investing in our communities, supporting the achievement of a sustainable and inclusive economy, managing environmental and social impacts, and advancing responsible business practices. These put together help ensure that NMRC continues to achieve sustainable success and growth for the benefit of its stakeholders.

NMRC's Three Pillars of ESG

Environmental

- Energy usage and efficiency
- Climate change strategy
- Waste reduction
- Biodiversity loss
- Greenhouse gas emissions
- Carbon footprint reduction
- Air and water pollution.
- Natural resource depletion



Social

- Fair play and living wages
- Equal employment opportunity
- Employee benefits
- Workplace health and safety
- Responsible partnerships
Adhering to Labour Laws
- Community relations
- Data Protection and privacy policies



Governance

- Corporate Governance
- Risk Management
- Compliance
- Ethical Business Practices
- Avoiding conflicts of interest
- Accounting integrity and transparency
- Whistleblower programs.



Sustainability in NMRC Refinancing Transactions

NMRC provides liquidity to primary mortgage lenders for mortgage origination through the refinancing of mortgage of PMLs. NMRC recognizes that mortgage refinancing exposes the Company to some level of Environmental and Social (E&S) risk through the mortgage lending activities of mortgage lenders (MLs).

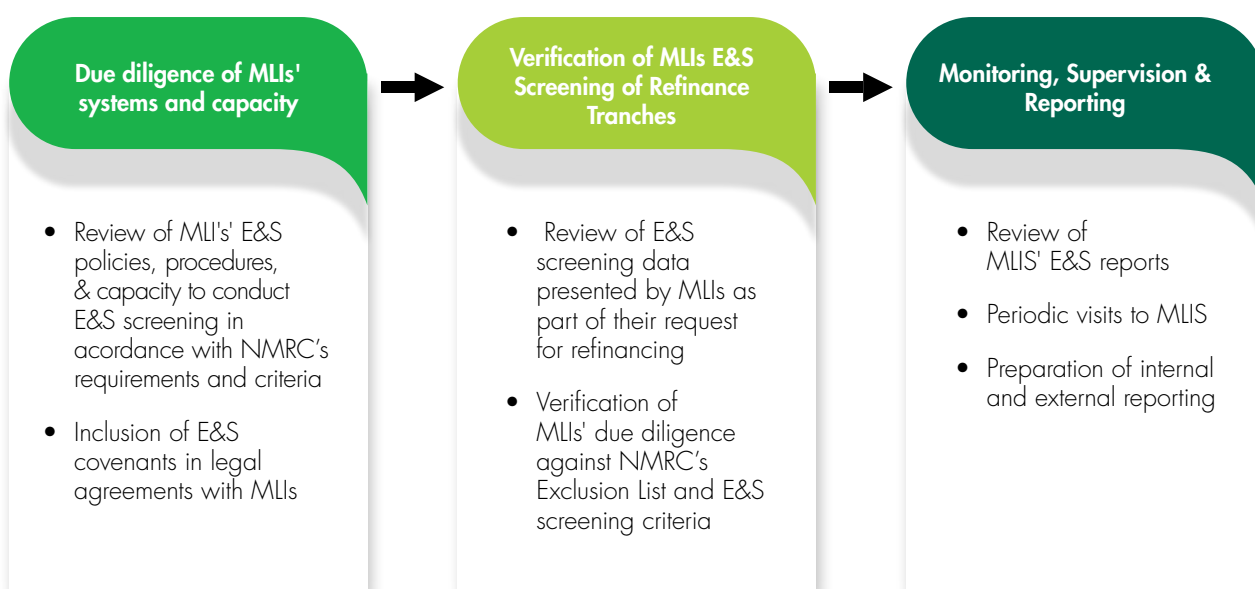
E&S risks associated with NMRC's lending activities through MLs depends on factors such as the specific E&S circumstances associated with the MLs' businesses and operations.

NMRC drives and supports primary mortgage lending institutions to institutionalize and implement adequate policies & procedures for environmental and social risk screening of mortgages originated by the lenders which includes mortgages that would be subsequently presented to NMRC for refinancing. The process starts with ensuring that the banks

are adopting ESG principles and practices, and they have ESG policies approved by their respective Boards.

NMRC's approach acknowledges that identification and management of E&S risks is a shared responsibility between NMRC and MLs, as such, the Company clearly defines the scope, applicable requirements, and actions to be taken by MLs to support the objectives of effective E&S risk management in its ESG Policy.

NMRC designed an E&S Screening Checklist that is being used by its partner banks for mortgage underwriting and screening. The checklist embeds the screening requirements of the World Bank/IFC and CBN Sustainability requirements. The Company takes steps to ensure screening and assessment of the partner banks and their underlying mortgage portfolios are done periodically.





NMRC'S COLLABORATION WITH STAKEHOLDERS ON SUSTAINABILITY

NMRC is interested in ESG matters at the local and international levels. NMRC is a willing partner in driving and achieving sustainability goals with other players. The company keenly follows updates and requirements on sustainability, including climate change awareness and control, as they continue to evolve and gain traction around the globe.

NMRC maintains relationships with the World Bank and IFC on ESG issues, including green financing. NMRC adopts the World Bank Exclusion List in its operations and engages IFC for the training of its staff and staff of partner banks on ESG and green financing periodically. The Company also participates actively in trainings and workshops organised by the CBN on ESG, and is currently partnering with the CBN, banks, and other DFIs in the development of a revised Sustainability framework for the financial sector. Reports on ESG (sustainability) assessments are submitted to the CBN on an annual basis.

NMRC also actively cooperates with its shareholders on ESG initiatives. During the year, NMRC participated in an ESG assessment exercise organised by Nigeria Sovereign Investment Authority (NSIA), a shareholder of NMRC. NMRC also attended trainings on ESG facilitated by EY under NSIA's sponsorship.

NMRC also engages the community on sustainability goals. The Company runs a Corporate Social Responsibility Program annually which is targeted at providing entrepreneurial skills acquisition training for unemployed youths and internally displaced persons. This is usually achieved through NMRC's partnership with the Industrial Training Fund (ITF). NMRC has trained and equipped



over 350 persons through the program and some of the beneficiaries are now self-employed.

During the year, NMRC organised the year's CSR program with increased number of female participants.

NMRC'S WORKPLACE SUSTAINABILITY INITIATIVES

Every NMRC staff is "Green Aware" and compliance-driven as there are deliberate and dedicated actions put in place by the Company to ensure staff are focused on reducing their carbon footprint. All our employees are encouraged and trained to imbibe sustainable lifestyles both at work and in their personal lives.

NMRC's Green initiatives in the workplace include:

Resource Efficiency

To promote environmental protection, NMRC's core business processes and operations are automated to improve efficiency both for NMRC and its partner banks. Mortgage underwriting is being done using the NMRC Mortgage Market System (MMS). The MMS ensures higher efficiency,

processing cost reduction, and standardisation of mortgage processing for both NMRC and its partner banks.

NMRC also implements the 'No Paper Initiative', which demands the reduction of paper consumption. Some activities under this initiative include paper-saving tips, the use of systems for approvals, electronic memo approval system, electronic reporting and presentation slides for meeting.

Waste Management

NMRC actively tracks its waste management. The outcome of the measurement forms part of the Company's sustainability report to regulators and other stakeholders. NMRC is taking steps to improve on its waste management initiatives year on year.

Alternative Energy

NMRC is committed to the use of alternative energy in running the operations of the Company to reduce its electricity consumption levels and save the environment. NMRC is taking steps to reducing the use of fossil fuels as its primary sources of energy. The Company is increasingly making use of renewable energy sources, such as solar power system, energy efficient LED bulbs, energy saving air-conditioners, and other energy-efficient technologies to reduce its carbon footprint and minimise the consumption of resources, thereby reducing our climate impact.

Water Efficiency

NMRC is mindful of the discipline that should be employed in the use of water both for consumption and non-drinking purposes. The Company admonishes its staff on the need for the economic use of water being a valuable and finite resource. Staff members, including the office cleaners, are trained to be responsible custodians of clean water. NMRC uses water-efficient flush systems and employs other water efficiency devices to make it easy for staff to use water mindfully. Reports on water usage are being monitored and reported quarterly.

Inclusion

NMRC is inclusion-friendly and is taking steps to ensure that the Company continues to implement inclusion initiatives. Recruitment of females is considered in the Company's recruitment exercises without compromising on the quality of people recruited.

NMRC also refinances mortgage loans of individuals in the informal sector who meet the Uniform Underwriting Standards for the Informal Sector.

The Company actively engages the Non-Interest Banking sector and players in collaborations for capacity building of NMRC's and banks partner banks' on non-interest mortgage financing.

NMRC'S OUTLOOK ON SUSTAINABILITY

Economic, social and demographic factors are key determinants for ensuring continued provision of affordable and acceptable housing standards to a wide range of stratified groups within populations. NMRC's sustainability approach will continue to recognize the demands and challenges faced by low-income earners, women, and marginalised populations in their ongoing attempts to have access to adequate and affordable housing.

NMRC's product innovations alongside stakeholder engagements continue to provide opportunities to birth mortgage underwriting standards for diverse economic groups in the society with a view to meaningful and measurable impact on access to housing for all.

NMRC will continue to participate and advocate for sustainable housing finance through the application of technology and a targeted approach at standardisation in ensuring reduction in the growth of unplanned settlements, increased promotion of land tenure security and overall increase in homeownership.

Following the ongoing initiative by the Securities and Exchange Commission (SEC) to introduce a sustainability reporting standard in financial statements of companies, NMRC is standing ready to adopt fully the requirements of the reporting standard as will be communicated by the SEC. NMRC is also actively participating with other Development Financial Institutions and Banks in the ongoing review of the CBN Sustainability Principles.

NMRC plans to issue green bonds as part of its medium to long term strategy. The Company is also applying to become a member of the International Committee on Climate Change.

Market Disclosure In 2024

NMRC SECURES \$200 MILLION IN FUNDING FROM THE U.S. DEVELOPMENT FINANCE CORPORATION FOR AFFORDABLE MORTGAGE FINANCING

The Nigeria Mortgage Refinance Company PLC (NMRC) partnered with U.S.-based MiDA Advisors and Johannesburg-based Standard Bank Group to develop a blended finance solution. This effort aims to mobilize long-term financing at scale. The funding includes a \$200 million loan from the U.S. Development Finance Corporation (DFC) and \$28 million raised from local financial markets, amounting to \$228 million in long-term blended funding for NMRC. NMRC will disburse these funds through commercial banks and primary mortgage institutions to refinance or pre-finance eligible mortgage loans for qualified mortgage borrowers across Nigeria.

NMRC SIGNS HOUSING INVESTMENT MEMORANDUM OF UNDERSTANDING WITH KATSINA STATE

The Governor of Katsina State and representatives of NMRC have signed a significant Memorandum of Understanding (MoU). This agreement supports the State Government's objective of promoting strategic development in the housing sector and creating a framework for affordable housing investment.

The MoU aims to enable essential reforms to encourage private sector involvement and attract significant investment in the state's housing market. It also supports the adoption of the draft Katsina State Mortgage Administration Law.

As part of the agreement, NMRC will provide comprehensive technical support for implementing the law. The Company will coordinate efforts with sector stakeholders and development partners and may also offer mortgage refinancing for loans that meet its uniform underwriting standards.

NMRC CREDIT RATING IS STABLE

GCR affirmed NMRC's national scale long-term and short-term issuer ratings of AA+(NG)/A1+(NG) with a "Stable" outlook. NMRC's rating is supported by good profitability, strong capitalisation, good asset quality, and a strong liquidity and funding profile.

NMRC WINS BEST AFFORDABLE HOUSING DEAL OF THE YEAR

At the Africa Housing Awards 2024, NMRC received the "Best Affordable Housing Deal of the Year" award for the \$200 million funding secured from the U.S. DFC. This award highlights the transformative impact the transaction will have on Nigeria's housing and mortgage sectors, particularly in vulnerable segments such as low-income households, the informal sector, and women.

NMRC PARTICIPATES IN THE AFRICAN UNION HOUSING FINANCE CONFERENCE

In October 2024, NMRC participated in a high-level conference in Zanzibar, Tanzania, alongside the African Union for Housing Finance (AUHF), the International Secondary Mortgage Market Association, and stakeholders across Africa. The event galvanised participation and contributions from key stakeholders, including the President of Zanzibar, Hussein Mwinyi, and representatives from central banks across the continent, all focused on enhancing collaboration and shaping the future of affordable housing in Africa. NMRC's MD/CEO, Mr. Kehinde Ogundimu, currently serves as the Chairman of the AUHF Board.

NMRC AT THE ABUJA INTERNATIONAL HOUSING SHOW 2024

NMRC was once again a major sponsor of the annual housing event held in Abuja. At the 17th edition of the event, NMRC engaged with other stakeholders in the housing sector to explore innovative solutions for addressing industry challenges.

NMRC MORTGAGE LITERACY CAMPAIGN

NMRC conducted a national mortgage literacy programme using radio campaigns, including hypes and commentary sessions. This is in line with our continued commitment to stimulating the demand side by driving awareness about mortgages, the potential benefits, and the role of NMRC in enhancing market liquidity. The radio campaign was aired on popular stations with wide listenership across the six geopolitical zones in Nigeria.

NMRC CORPORATE SOCIAL RESPONSIBILITY PROGRAMME 2024

As part of its commitment to strengthening the housing market, NMRC continued its partnership with the Industrial

Training Fund (ITF) to enhance skill development in housing construction and entrepreneurship. In its 9th edition, 40 young individuals participated in a 10-week program, which included 4 weeks of theoretical learning and 6 weeks of hands-on training. The program, facilitated by experienced industry professionals, covered various trade areas such as events and interior decoration, tiling, Plaster of Paris (PoP), plumbing, and electrical installations. Each participant received tools for their specific trade, helping them take the first step towards becoming certified artisans in the housing construction sector.

NMRC EXTENDS REFINANCING TO BANKS

As a secondary mortgage lender and liquidity provider for mortgage loan origination, NMRC continues to extend financing to primary mortgage lenders, namely, commercial and mortgage banks, while supporting capacity-building initiatives for their staff. In the year under review, NMRC refinanced mortgages worth N750 million for select mortgage lenders.

NATIONAL HOUSING DATA CENTRE INITIATIVE

NMRC is partnering with the Federal Ministry of Housing and Urban Development (FMHUD), the CBN Department of Statistics, the National Bureau of Statistics, the National Population Commission, the Federal Mortgage Bank of Nigeria, and other stakeholders in the housing industry to develop the National Housing Data Centre. The Joint Committee on National Housing Data was established as part of this strategic partnership among key stakeholders in the Nigerian housing market to design and implement a blueprint for ensuring transparency and improving access to housing data in Nigeria. The Minister of Housing and Urban Development chairs the committee, while the MD/CEO of NMRC serves as Co-chair.

NMRC & CAHF

NMRC has continued its engagement with the Centre for Affordable Housing Finance (CAHF) to develop the data landscape for the Nigerian housing market. CAHF's data agenda aims to catalyze the provision and dissemination of housing-related data. NMRC envisions becoming a one-stop hub for key data and indicators related to housing. The Nigeria Housing Data Dashboard was developed in collaboration with the Centre for Affordable Housing Finance in Africa, Nigeria Mortgage Refinance Company, and 71point4. The Dashboard aims to provide valuable insights into the challenges and opportunities within Nigeria's affordable housing sector, using publicly available data from the National Bureau of Statistics.

NMRC & CSCS

NMRC has advanced its collaboration with Central Securities Clearing System PLC (CSCS), a leading Central Securities Depository in Nigeria, to develop an Electronic Land and Mortgage Asset Registry (ELMAR). This unique partnership utilizes CSCS's expertise in asset dematerialization, which will be valuable in dematerializing land titles, and NMRC's extensive knowledge of the mortgage landscape to digitize key processes. The collaboration also aims to promote the digitalization of Geographic Information Systems (GIS) across significant states in Nigeria. Engagements with state governments have commenced and will be expanded in 2025.

NMRC & LAGIS

NMRC is partnering with the Lagos State Geographic Information System (LAGIS) and CSCS to develop a "Property Bank" platform, which aims at making properties more bankable by closing the gap between land records & administration and the financial system. This initiative will serve as a comprehensive, user-friendly digital interface that enables homeowners in Lagos, including individuals and developers, to save, invest, and access credit using their title documents.

NMRC & LEARNHUB INSTITUTE

In line with our commitment to promoting equitable access to opportunities for women within the industry, NMRC was a major sponsor of the third edition of the Wealth, Women, and Real Estate (WWR) Conference, themed "Women, Wealth, and Real Estate: Promoting Women's Inclusion for Africa's Collective Prosperity." The event which held at Four Points by Sheraton on June 20th, 2024, featured successful female thought leaders who discussed the status of women in Africa, opportunities to bridge the gap through policy, education, and empowerment, as well as strategies for asset optimization.

NMRC & LASRERA

NMRC participated at the 5th edition of the Lagos State Real Estate Regulatory Authority (LASRERA) Real Estate Market Place Conference and Exhibitions. The event took place on the 10th and 12th of December 2024 at Eko Hotel and Suites, Victoria Island, Lagos under the theme Reimagining Lagos Landscape: Ensuring Sustainable Real Estate Development Practices. The event brought together key stakeholders, real estate practitioners, investors, and policymakers with government officials to discuss emerging trends and sustainable practices shaping the real estate landscape.

Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Banks and Other Financial Institutions Act of Nigeria (BOFIA) 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 of Nigeria 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.


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

Signed on behalf of the Board of Directors by:



Yemi Adeola
Chairman

FRC/2013/CIBN/00000001257
25 March 2025



Kehinde Ogundimu
Chief Executive Officer

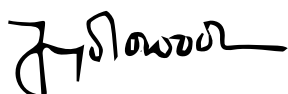
FRC/2015/ICAN/00000011195
25 March 2025

Report of The Audit Committee

To the Members of Nigeria Mortgage Refinance Company Plc

In accordance with the provisions of Section 404(4) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Nigeria Mortgage Refinance Company Plc hereby report on the financial statements for the year ended 31 December 2024 as follows:

- We have exercised our statutory functions under section 404(7) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Company's internal control systems.
- We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their year end audit and we are satisfied with management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.



Ayo Olowookere

Chairman, Audit Committee

FRC/2016/ICAN/00000014172

25 March 2025

Members of the Audit Committee are:

1	Ayo Olowookere	Shareholder	Chairman
2	Olumide Adedeji, PhD	Shareholder	Member
3	Ruby Okoro	Shareholder	Member
4	Olufemi Johnson, DBA	Non-executive Director	Member
5	Olabanjo Obaleye, DBA	Non-executive Director	Member

Report on Nigeria Mortgage Refinance Company Plc's Internal Control Over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Nigeria Mortgage Refinance Company (NMRC) for the year ended 31 December 2024:

- i. Nigeria Mortgage Refinance Company's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. NMRC's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii. NMRC's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.
- iv. Nigeria Mortgage Refinance Company's external auditor Messrs. PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. PricewaterhouseCoopers that audited its financial statements will be filed as part of Nigeria Mortgage Refinance Company's annual report.



Yemi Adeola
Chairman

FRC/2013/CIBN/00000001257



Kehinde Ogundimu
Chief Executive Officer

FRC/2015/ICAN/00000011195

Chief Executive Officer's Certification of Management's Assessment of Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Nigeria Mortgage Refinance Company for the year ended 31 December 2024.

I, Kehinde Ogundimu, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of Nigeria Mortgage Refinance Company.
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report.
- d) The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls.
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Kehinde Ogundimu
Chief Executive Officer

FRC/2015/ICAN/00000011195
25 March 2025

Chief Financial Officer's Certification of Management's Assessment of Internal Control Over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Nigeria Mortgage Refinance Company for the year ended 31 December 2024.

I, Kanayo Mba, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of Nigeria Mortgage Refinance Company.
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report.
- d) The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls.
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Kanayo Mba

Chief Financial Officer

FRC/2019/ICAN/00000019030

25 March 2025



Independent practitioner's report

To the Members of Nigeria Mortgage Refinance Company Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Nigeria Mortgage Refinance Company Plc ("the company's") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Nigeria Mortgage Refinance Company Plc's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Nigeria Mortgage Refinance Company Plc's Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

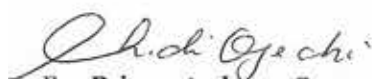
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Nigeria Mortgage Refinance Company Plc and our report dated 26 March 2025 expressed an unqualified opinion.


For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894



26 March 2025

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955



Independent auditor's report

To the Members of Nigeria Mortgage Refinance Company Plc

Report on the audit of the financial statements

Our opinion

In our opinion, Nigeria Mortgage Bank Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Nigeria Mortgage Refinance Company Plc's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment on mortgage refinance loans – N111.17 million (refer to notes 3.1d, 4e and 8)</p> <p>We focused on this area because the directors exercise significant judgment, using subjective assumptions to determine both the timing and amount of impairment recognition.</p> <p>IFRS 9 “Financial Instruments” requires significant judgment in measuring expected credit loss (ECL).</p> <p>Key areas where such judgment is exercised include:</p> <ul style="list-style-type: none"> • The definition of default adopted by the company; • The criteria for assessing a significant increase in credit risk (SICR); • The methodologies used in modelling the probability of default (PD) within the ECL model; • The estimation of the loss given default (LGD), including the assumptions applied in the model; • The incorporation of forward-looking information and the determination of multiple economic scenarios used in the ECL model. 	<p>We understood the process and evaluated and tested key controls around the determination of the allowance for expected credit loss.</p> <p>We performed the following procedures:</p> <ul style="list-style-type: none"> • verified that the company’s definition of default aligned with IFRS 9 criteria; • applied a risk-based target testing approach to review credit files in detail and assess management’s conclusion on significant increase in credit risk (SICR); • assessed the reasonableness and accuracy of the PD methodology and computations by performing an independent recalculation; • evaluated the appropriateness of the LGD methodology, including collateral valuation, assumptions applied in the ECL model, and the accuracy of the final LGD; • reviewed the reasonableness of forward-looking information used in the ECL model, including the selection and application of multiple economic scenarios by corroborating with publicly available data; • validated the accuracy of the ECL computation by performing an independent computation for all loans; and • evaluated the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Directors’ Report, Corporate Governance Report, Statement of Directors’ Responsibilities, Statement of Corporate Responsibility for the Financial Statements, Report of the Audit Committee, Management’s Annual Assessment of, and Report on, Nigeria Mortgage Refinance Company Plc’s Internal Control over Financial Reporting, Chief Executive Officer’s Certification of Management’s Assessment of Internal Control over Financial Reporting, Chief Financial Officer’s Certification of Management’s Assessment of Internal Control over Financial Reporting, Value Added Statement and Five Year Financial Summary but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the other sections of the Nigeria Mortgage Refinance Company Plc 2024 Annual Report, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



When we read the other sections of the Nigeria Mortgage Refinance Company Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;
- iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 27 to the financial statements; and
- v) the company did not pay penalties in respect of contraventions of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2024.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Nigeria Mortgage Refinance Company Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 26 March 2025.


For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955



26 March 2025

Statement of Financial Position

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	6	427,282	93,739
Placements with banks	7	1,621,130	1,813,404
Mortgage refinance loans	8	23,892,428	25,217,498
Pledged assets	9	-	1,146,669
Investment securities - FVOCI	10	2,821,072	3,168,379
Investment securities - Amortised cost	10	55,031,274	55,231,867
Other assets	11	747,557	245,016
Property, plant and equipment	12	619,227	494,192
Intangible assets	13	33,829	2,867
Total assets		85,193,799	87,413,631
Liabilities			
Debt securities issued	14(a)	17,973,980	20,391,537
Borrowings	14(b)	36,806,320	38,586,370
Other liabilities	15	3,116,837	2,646,329
Current tax liabilities	23(b)	109,106	107,159
Total liabilities		58,006,243	61,731,395
Capital and reserves			
Share capital	16(a)(ii)	2,125,444	2,125,444
Share premium	16(a)(iii)	5,925,232	5,925,232
Retained earnings	16(b)	14,340,479	13,008,738
Statutory reserves	16(c)	5,048,250	4,495,921
Statutory credit risk reserve	28	128,866	94,866
Fair value reserve	16(d)	(380,715)	32,035
Total equity		27,187,556	25,682,236
Total liabilities and equities		85,193,799	87,413,631

The financial statements were approved by the Board of Directors on 25 March 2025 and signed on its behalf by:

Additionally certified by:



Yemi Adeola
Chairman
FRC/2013/CIBN/00000001257



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 financial statements.

Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Gross earnings		10,450,347	10,327,226
Interest income calculated using effective interest rate	17	10,436,421	10,326,562
Interest expense calculated using effective interest rate	18	(4,127,138)	(4,412,238)
Net interest income		6,309,283	5,914,324
Other income	19	13,926	664
Total income		6,323,209	5,914,988
Impairment writeback on loans and advances	21a	47,728	58,125
Impairment writeback on investment securities	21b	1,470	10,734
Personnel expenses	20	(1,088,738)	(1,029,875)
Depreciation & amortisation	12,13	(98,796)	(70,715)
Other operating expenses	22	(1,412,512)	(1,242,662)
Profit before income tax		3,772,361	3,640,595
Income tax expense	23(a)	(37,920)	(36,564)
Minimum tax	23(a)	(52,252)	(51,636)
Profit for the year		3,682,189	3,552,395
Items that are or may be reclassified to profit or loss			
- Changes in fair values of FVOCI debt instruments	11(d)	(411,251)	(109,806)
Net remeasurement of ECL loss allowance on FVOCI debt instrument		(1,499)	646
		412,750	109,160
Total comprehensive income for the year		32,69,439	3,443,235
Profit attributable to:			
Equity holders of the Company		3,682,189	3,552,395
Profit for the year		3,682,189	3,552,395
Earnings per share (Basic and diluted)	24	173 k	167 k

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

Statement of Changes in Equity

<i>In thousands of Naira</i>	Note	Share capital	Share premium	Statutory credit risk reserve*	Retained earnings	Statutory reserves	Fair value reserves	Total
Balance at 1 January 2024		2,125,444	5,925,232	94,866	13,008,738	4,495,921	32,035	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)	-	-	-
Other comprehensive loss for the year		-	-	-	-	-	(412,750)	(412,750)
Total comprehensive income		-	-	34,000	3,095,861	552,328	(412,750)	3,269,439
Dividend paid during the year	16(b)	-	-	-	(1,764,119)	-	-	(1,764,119)
Balance at 31 December 2024		2,125,444	5,925,232	128,866	14,340,479	5,048,250	(380,715)	27,187,556
<i>In thousands of Naira</i>	Note	Share capital	Share premium	Statutory credit risk reserve*	Retained earnings/ (loss)	"Statutory reserves"	"Fair value reserves"	Total
Balance at 1 January 2023		2,125,444	5,925,232	25,364	11,057,663	3,963,062	141,195	23,237,960
Profit for the year		-	-	-	3,552,395	-	-	3,552,395
Transfer to statutory reserve		-	-	-	(532,859)	532,859	-	-
Transfer to statutory credit risk reserve		-	-	69,502	(69,502)	-	-	-
Other comprehensive loss for the year		-	-	-	-	-	(109,160)	(109,160)
Total comprehensive income		-	-	69,502	2,950,033	532,859	(109,160)	3,443,235
Dividend paid during the year	16(b)	-	-	-	(998,959)	-	-	(998,959)
Balance at 31 December 2023		2,125,444	5,925,232	94,866	13,008,738	4,495,921	32,035	25,682,236

*Statutory Credit Risk Reserve refers to the transfer to the regulatory risk reserve during the year in accordance with Prudential Guidelines. The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit for the year		3,682,189	3,552,395
Add tax expense	23(a)	90,172	88,200
Profit before tax		3,772,361	3,640,595
Adjustments for:			
Interest income at effective interest rate	17	(10,436,421)	(10,326,562)
Interest expense at effective interest rate	18	4,127,138	4,412,238
Depreciation and amortisation	12,13	98,796	70,715
Gain on disposal of property, plant and equipment	19	(8,860)	-
Foreign exchange gain	19	(5,066)	(664)
Writeback on impairment of mortgage refinance loans	21	(47,728)	(58,125)
Impairment loss on investment securities at amortized cost	21	2,296	(6,547)
(Writeback)/ impairment loss on pledged assets	21	(1,517)	1,517
(Writeback)/impairment loss on investment securities at FVOCI	21	(1,499)	646
Impairment loss on placement with banks	7	(750)	(6,353)
Cash used in operations		(2,501,249)	(2,272,539)
Changes in operating assets and liabilities:			
Pledged assets		1,148,187	(1,146,668)
Mortgage refinance loans	29(a)	1,313,402	(1,157,431)
Placements with banks	29(b)	185,310	240,682
Other assets	29(c)	(502,542)	(68,710)
Other liabilities	29(d)	470,508	394,607
		113,616	(4,010,059)
Interest received	29(e)	10,693,728	11,186,335
Interest paid on debt securities issued	29(f)	(2,223,646)	(2,257,747)
Interest paid on borrowings	29(f)	(1,577,423)	(1,566,591)
Tax paid	23(b)	(88,225)	(85,523)
Net cash flows generated from operating activities		6,918,050	3,266,415
Cash flows from investing activities			
Purchase of investment securities	10(b)	(1,854,510)	(750,587)
Proceeds from matured investments	10(b)	1,798,666	-
Acquisition of property and equipment	12	(266,796)	(87,741)
Proceeds from disposal of property and equipment	29(g)	20,862	-
Net cash flows used in investing activities		301,778	(838,328)
Cash flows from financing activities			
Dividend paid	16(b)	(1,764,119)	(998,959)
Proceed from borrowings	29(e)	-	1,000,000
Principal repayment of debt securities issued	29(e)	(2,701,983)	(2,673,637)
Principal repayment of borrowings	29(e)	(1,821,692)	-
Net cash flows used in financing activities		(6,287,794)	(2,672,596)
Net increase/(decrease) in cash and cash equivalents		328,477	(244,509)
Cash and cash equivalents, beginning of year	6	93,739	337,585
Impact of foreign exchange on cash and cash equivalents		5,066	664
Cash and cash equivalents, end of year	6	427,282	93,739

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

Notes to the Financial Statements

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 Company's registered address is at 17 Sanusi Fafunwa Street, Victoria Island, Lagos.

The principal activities of the Company are the provision of long term funds to eligible mortgage lenders by issuing long term bonds in the Nigerian financial market and refinancing and purchasing mortgage loans.

2 (i) Basis of preparation

The financial statements of Nigeria Mortgage Refinance Company Plc is a general purpose financial report which has been prepared in accordance with international financial reporting standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and other Financial Institutions Act, 2020, the Mortgage Refinance Company Regulatory and Supervisory Framework, 2013, and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

ii Basis of measurement

These financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorised for issue by the Company's board of directors on 25 March, 2025.

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)

iii Functional and presentation currency

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

iv Use of estimates and judgments

The preparation of financial statements in conformity to the IFRS Accounting Standards requires Management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The 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 recognized in the financial statements are described in Note 4(e) of the financial statements.

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

v Changes in Accounting Policies

The following amended standards and interpretations were effective during the year and have been assessed not to have any significant impact on the financial statements.

Standards, amendments and interpretations effective during the reporting period

a) Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Non-current Liabilities with Covenants - Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: the carrying amount of the liability, information about the covenants, and facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument.

However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

b) Lease Liability in Sale and Leaseback - Amendment to IFRS 16

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines "lease payments" and "revised lease payments" in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Company has considered the guidance included within the interpretation and concluded that the prescribed approach does not have a material impact on it.

c) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier

finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how those arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

1. The terms and conditions of SFAs
2. The carrying amount of financial liabilities that are part of the SFAs, and the line items in which those liabilities are presented.
3. The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
4. The range of payment due dates for both the financial liabilities that are part of the SFAs and the comparable trade payables that are not part of such arrangements.
5. Non-cash changes in the carrying amounts of financial liabilities in (2).
6. Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities are required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between the periods.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The Company has considered the guidance included within the interpretation and concluded that the prescribed approach does not have a material impact on it.

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);
- features that modify consideration of the time value of money (e.g. periodical reset of interest 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 loan;
- 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 of collateral;
- 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.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the company changes its business model for managing financial assets.

Subsequent measurement

Subsequent to initial recognition, financial instruments are measured at amortized cost, fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVOCI), 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, Placements with bank, 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) 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. Expected credit loss (ECL) on FVOCI financial assets is not deducted from the asset itself but is instead recognized in profit or loss and other comprehensive income (OCI) as part of 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.

(iii) 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) Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to

be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(d) 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.

(e) 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.

(f) 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 in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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.

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

(g) Modification of financial assets and liabilities

(i) Financial assets

If the terms of a financial asset are modified, then the company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

(ii) Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair

value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(h) Mortgage refinance loans

The 'mortgage refinance loans' caption in the statement of financial position includes loans and advances measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

(i) Investment Securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost ; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and

- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Company elects to present changes in the fair value of certain investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

3.2 Property, Plant and Equipment

(a) Recognition and measurement

Property and equipment are stated at cost of acquisition less accumulated depreciation less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and;
- capitalised borrowing costs.

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. Land is measured at cost.

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 less their estimated residual value over the estimated useful lives of the assets concerned.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted if appropriate.

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.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

(c) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. 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 the statement of 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

Effective interest rate

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 fair value through other comprehensive income investment securities calculated on an effective interest basis.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not creditimpaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;

Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense;
- negative interest on financial assets measured at amortised cost; and
- interest expense on lease liabilities.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income and from other financial instruments at FVTPL

Cash flows related to capitalised interest are presented in the statement of cash flows consistently with interest cash flows that are not capitalised.

3.5 Other liabilities

The Company recognises and measures other financial liabilities at amortized cost

3.6 Share capital and other reserve accounts

Share issue costs

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

Share premium

Premiums from the issue of shares are reported in share premium.

Dividends on ordinary shares.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends declared after the reporting date are recognized in the subsequent period.

Statutory credit risk reserve

Regulatory risk reserve details the difference between the impairment on mortgage refinance loans computed based on the Central Bank of Nigeria Prudential Guidelines compared with the expected credit loss model used in calculating the impairment under IFRS 9.

Statutory reserve

The statutory reserve represents un-distributable earnings required to be retained in accordance with national laws and regulations. In compliance with the Central Bank's regulatory framework for mortgage refinance companies, the Company is mandated to maintain a reserve fund. The Company transfers a minimum of 30% of its net profits to the reserve account if the reserve fund is less than the paid-up share capital, or a minimum of 15% of its net profits if the reserve fund equals or exceeds the paid-up share capital.

Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

Fair value reserve

Fair value reserves represent the difference between the amortized cost of the Company's financial assets classified as fair value through other comprehensive income (FVOCI) and the market value of those assets, including the impairment allowance on FVOCI financial assets. This difference is recognized in the statement of other comprehensive income and

subsequently transferred to profit or loss upon derecognition of the financial asset.

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 plan

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 salaries 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 tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is

measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits at the rate of 30%
- Tertiary education tax is computed on assessable profits at the rate of 3%
- National Information Technology Development Agency levy is computed on profit before tax at the rate of 1%
- Police Trust Fund levy is computed on profit after tax at the rate of 0.005%

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. Minimum tax is determined as 0.5% of gross turnover less franked investment 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 or loss; 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 and the same taxation authority.

3.11 Cash and cash equivalent

Cash and cash equivalents consist of physical cash, operating accounts held with banks, and highly liquid financial instruments

with original maturities of three months or less from the acquisition date. These assets are subject to an insignificant risk of changes in fair value and are readily available for managing the Company's short-term obligations.

3.12 Other assets

Other assets include prepaid staff benefits, prepaid IT expenses, other borrowing costs, withholding tax receivables, staff loans and advances, deposit for shares, and other receivables. These receivables are stated net of amounts considered bad or doubtful of recovery.

Receivables deemed uncollectible are written off against the related provision, or directly charged to the statement of profit or loss and other comprehensive income if no prior provision exists. Any subsequent recovery of such written-off receivables is credited to the statement of profit or loss and other comprehensive income.

3.13 Pledged assets

Financial assets transferred to external parties that do not meet the criteria for de-recognition are reclassified from investment securities to pledged assets in the statement of financial position. This reclassification occurs when the transferee retains the right to sell or re-pledge the assets in the event of default on agreed terms.

Pledged assets are initially recognized at their fair value and subsequently measured at either amortized cost or fair value, as applicable. These transactions are conducted in accordance with the standard terms and conditions governing securities lending and borrowing arrangements.

3.14 Asset under repurchase agreement

Assets under repurchase agreements are transactions where the company sells a security and concurrently agrees to repurchase it (or an asset of similar nature) at a specified price on a future date. These transactions are accounted for as financing arrangements rather than sales.

The company retains substantially all the risks and rewards of ownership and, as such, continues to recognize the securities in their entirety in the statement of financial position. The cash consideration received is recognized as a financial asset, while a corresponding financial liability is recognized for the obligation to repurchase the asset.

Although the contractual rights to the cash flows of the securities are transferred during the arrangement, the company does not retain the ability to use the transferred assets throughout the term of the agreement.

3.15 Debt securities and borrowings

The Company recognises and measures its debt securities and borrowings at amortised cost.

3.16 New standards and interpretations not yet effective

A number of new Standards, Amendments to Standards, and Interpretations were issued during the year; however, they were not required to be applied for the financial reporting period ended 31 December 2024.

a) Amendments to IAS 21 - Lack of Exchangeability (Effective 1 January 2025)

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process).

b) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (Effective 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

1. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
2. clarify and add further guidance for assessing whether a financial asset meets the sole payment of principal and interest (SPPI) criterion;

3. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
4. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

c) IFRS 18 "Presentation and Disclosure in Financial Statements" (Effective 1 January 2027)

This is the new standards on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

1. the structure of the statement of profit or loss with defined subtotals;
2. requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
3. required disclosures in a single note within the financial statements for certain profit or loss performance measures that are not reported outside an entity's financial statements (that is, management-defined performance measures); and
4. enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

d) IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (Effective 1 January 2027)

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

1. it does not have public accountability; and
2. it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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, pledged assets, investment securities and other receivables.

(i) Exposure to credit risk

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Cash and cash equivalents	6	427,282	93,739
Placements with banks	7	1,621,130	1,814,154
Mortgage refinance loans	8	24,003,598	25,376,396
Pledged asset	9	-	1,148,186
Investment securities	10	57,923,659	58,469,263
Other financial assets	11	101,489	79,246

Collateral

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Total loan exposure (gross)		24,003,598	25,217,498
Secured against real estate		24,003,598	25,217,498
Unsecured loan		-	-

The cash and cash equivalents are held with commercial 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.

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Total Value of collaterals held against loans		449,599,477	334,045,642

(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 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 mortgage lenders 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.

(v) Credit quality analysis

The following table sets out information about the credit quality and ratings of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. There were no purchased or originated credit impaired (POCI) financial assets during the year.

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 3.1(d).

In thousands of Naira	12 month PD ranges	31 Dec 2024				31 Dec 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans to commercial banks at amortized cost									
Low - fair risk (rated B-)	0 - 0.59	11,801,377		-	11,801,377	13,151,277	-	-	13,151,277
Satisfactory	0.60 - 11.34	-	1,244,061	-	1,244,061	-	1,014,460	-	1,014,460
Higher risk	11.35- 99.99	-	-	-	-	-	-	-	-
Lost	100	-	-	-	-	-	-	-	-
		11,801,377	1,244,061	-	13,045,438	13,151,277	1,014,460	-	14,165,737
Loss allowance		47,728	48	-	47,776	(56,098)	(5,762)	-	(61,860)
Carrying amount		11,849,105	1,244,109	-	13,093,214	13,095,179	1,008,698	-	14,103,877

In thousands of Naira	12 month PD ranges	31 Dec 2024				31 Dec 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans to mortgage banks at amortized cost									
Low - fair risk (rated B-)	0 - 0.59	10,803,720	-	-	10,803,720	11,210,659	-	-	11,210,659
Satisfactory	0.60 - 11.34	-	154,440	-	154,440	-	-	-	-
Higher risk	11.35- 99.99	-	-	-	-	-	-	-	-
Lost	100	-	-	-	-	-	-	-	-
		10,803,720	154,440	-	10,958,160	11,210,659	-	-	11,210,659
Loss allowance		(158,946)	-	-	(158,946)	(97,038)	-	-	(97,038)
Carrying amount		10,644,774	154,440	-	10,799,214	11,113,622	-	-	11,113,622

In thousands of Naira	12 month PD ranges	31 Dec 2024				31 Dec 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt investment securities at amortized cost									
Low - fair risk (rated B-)	0-0.59	55,112,588	-	-	55,112,588	56,372,967	-	-	56,372,967
Satisfactory	0.60-11.34	-	-	-	-	-	-	-	-
Higher risk	11.35-99.99	-	-	-	-	-	-	-	-
Lost	100	-	-	-	-	-	-	-	-
		55,112,588	-	-	55,112,588	56,372,967	-	-	56,372,967
Loss allowance		(81,314)	-	-	(81,314)	(79,017)	-	-	(79,017)
Carrying amount		55,031,274	-	-	55,031,274	56,293,950	-	-	56,293,950

In thousands of Naira	12 month PD ranges	31 Dec 2024				31 Dec 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt investment securities at FVOCI									
Low - fair risk (rated B-)	0-0.59	2,811,072	-	-	2,811,072	3,158,379	-	-	3,158,379
Satisfactory	0.60-11.34	-	-	-	-	-	-	-	-
Higher risk	11.35-99.99	-	-	-	-	-	-	-	-
Lost	100	-	-	-	-	-	-	-	-
		2,811,072	-	-	2,811,072	3,158,379	-	-	3,158,379
Loss allowance		-	-	-	-	-	-	-	-
Carrying amount		2,811,072	-	-	2,811,072	3,158,379	-	-	3,158,379

In thousands of Naira	31 Dec 2024			31 Dec 2023		
	Life time ECL not credit impaired	Credit Impaired	Total	Life time ECL not credit impaired	Credit Impaired	Total
Other financial assets						
Low - fair risk	101,489	-	101,489	79,246	-	79,246
Higher risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
	101,489	-	101,489	79,246	-	79,246
Loss allowance	(541)	-	(541)	(541)	-	(541)
Carrying amount	100,948	-	100,948	78,705	-	78,705

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

For inputs, assumptions and techniques used for estimating impairment, see Note 3.1(c).

Significant increase in credit risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Company uses four criteria for determining whether there has been a significant increase in credit risk:

- movement in PD based on internal and external rating parameters

The Company monitors changes in internal and external ratings of obligors to assess significant increase/decrease in credit risk. Evidence of SICR depends on rating at initial recognition and the extent of movement (number of notches downgrade/upgrade) as at reporting date.

The Company applies different notches movement across each rating grade as evidence of SICR. Generally, obligors with higher credit rating would require more notches downgrade to evidence SICR, when compared with obligors with lower credit rating. The logic is that PD exponentially increases with movement down the rating grades. For instance, while a one-notch movement is deemed significant for a loan rated "High Risk" at origination, a two-notch movement is deemed significant for a "Moderate Risk" rated loan. In addition, while a one-notch movement is deemed significant for a

loan rated CCC at origination, a three-notch movement is deemed significant for an AAA rated loan.

- probationary period

The Company monitors changes in the 'significant increase in credit risk' of its financial instruments during their transition from one stage to another.

The changes in the allocated stage of the assets will only be applied after the following requirements are met. That:

- Where there is evidence that there is significant reduction in credit risk, the Company would continue to monitor such financial instruments for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1).
- In addition to the 90 days probationary period above, the Company will observe a probationary period of 90 days to upgrade from Stage 3 to 2.

- qualitative indicators

The Company uses a wide range of qualitative criteria for staging purposes, leveraging on IFRS 9 recommendations and a range of other factors.

The Company overrides the stage allocation using quantitative assessment if the financial asset(s) meets a specific qualitative criteria for different impairment stages.

- a backstop of 30 days past due

The Company uses the backstop indicator otherwise known as "30 days past due presumption" to assess significant decrease/increase in credit risk in all its loans. Evidence of Significant Increase in Credit Risk (SICR) depends on the loan performance status and the number of days for which contractual payments are past due.

A credit facility is deemed non-performing when interest or principal is due and unpaid for 90 days or more.

Generating the term structure of PD

Probability of Default is a measure of the likelihood that the borrower of a loan will move from a performing status to a non – performing status over a given time horizon.

A loan is non – performing when interest or principal is due and unpaid for 90 days or more, or when such interest have been capitalized, rescheduled or rolled over into a new loan.

Multi-year PDs are a collection of monthly PD values referring to different time periods over the lifetime of a financial asset.

In the absence of historic data, the Company has resorted to the use of external mapping approach in deriving its PD. Deriving PDs for the Company's obligors using the external mapping approach involves obtaining an external rating scale with assigned PDs for each rating grade, mapping the obligors to external rating grades and using the annual PDs assigned to the rating grade for the obligor.

The External Mapping Approach is used in estimating the marginal, monthly PD's for loans and advances for obligors.

The rating from external rating agencies are mapped to the associated PD from Standard & Poor's (S & P's) Annual Global Corporate Average Cumulative Probability of Default. The annual PD is then converted to the Marginal Monthly PD.

This mapping is done using the National (Nigeria) Mapping Table published by S & P. The table below indicates the relationship that exists between the National and International local currency ratings. It shows the median international rating that had been assigned to each Nigerian national scale rating. Below is the table showing the mapping of Nigeria national rating scale to S & P Global. The external benchmark input into measurement of ECL are as follows:

Augusto Rating Scale	National-scale long-term rating	National-scale short-term rating	Implied Global-scale long-term local-currency rating	Adjusted Global-scale long-term local-currency rating
AAA	ngAAA	ngA-1	BB+ and above	B
AA+	ngAA+	ngA-1	BB	B
AA	ngAA, ngAA-	ngA-1	BB	B
AA-	ngAA, ngAA-	ngA-1, ngA-2	BB-	B
A+	ngA+, ngA, ngA-	ngA-1, ngA-2	B+	B
A	ngA+, ngA, ngA-	ngA-1, ngA-2	B+	B
*A-	ngA+, ngA, ngA-	ngA-1, ngA-2	B+	B
BBB+	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B	B-
BBB	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B	B-
BBB-	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	B	B-
BB+	ngBB+, ngBB	ngB	B-	B-
BB	ngBB+, ngBB	ngB	B-	B-
BB-	ngBB-, ngB+	ngB	B-	B-
B+	ngBB-, ngB+	ngB	CCC+	CCC+
B	ngB, ngB-, ngCCC+	ngC	CCC+	CCC+
B-	ngB, ngB-, ngCCC+	ngC	CCC+	CCC+
CCC/C	ngCCC, ngCCC-	ngC	CCC-	CCC-
N/A	ngCC	ngC	CC	CC
N/A	NgC	ngC	C	C
N/A	R**	R**	R**	R**
N/A	SD***	SD***	SD***	SD***
N/A	D****	D****	D****	D****

Incorporation of forward-looking information (FLI)

The Company incorporates forward-looking information into the measurement of ECL.

The Company develops three economic scenarios to evaluate expected credit losses (ECL). These scenarios include:

- **Base case scenario:** Statistically assigned a probability of 23%, this scenario aligns with the Company's planning and budgeting processes and reflects expectations based on a balanced outlook.
- **Upturn scenario:** Assigned a probability of 36%, it reflects optimistic economic conditions.
- **Downturn scenario:** Assigned a probability of 41%, representing more adverse economic conditions.

The base case is informed by data and forecasts used for strategic planning, integrating external sources such as reports from government bodies, monetary authorities, and private-sector or academic forecasts. To incorporate forward-looking information (FLI) into the ECL estimation, the Company employs the variable scalar approach in a top-down manner. This approach adjusts the overall ECL for FLI rather than modifying its individual components [Exposure at Default [EAD], Loss Given Default [LGD], and Probability of Default

[PD]]. External information sources, including governmental and monetary authorities' economic data and forecasts, as well as selected private and academic forecasters, are utilised to support this process.

The purpose of the variable scalar is to provide an objective way to adjust the base case ECL term structure to reflect the relevant macroeconomic forecasts for each year. In determining the variable scalar, the Company:

1. Identifies the relevant macroeconomic variables affecting the ECL.
2. Obtains historical data on the Non-Performing Loan (NPL) ratio and the macroeconomic variables identified. Where there are more than 3 variables identified, obtain historical data for the 3 most significant variables.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk are: GDP growth, prime lending rates and NPL ratio.

The economic scenarios used as at 31 December 2024 included the following key indicators for Nigeria for the years ending 31 December 2025 to 2026.

	2025	2026
Prime Lending rate	Base 17.75%	Base 17.75%
GDP growth	Base 2.24%	Base 2.94%

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, prepayments and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a

new loan at fair value in accordance with the accounting policy set out in Note 3.1(f).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Company may renegotiate loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

For financial assets modified as a result of renegotiation, the estimate of PD reflects whether the modification has improved or restored the Company's ability to collect interest and principal and the Company's previous experience of similar forbearance action. As part of this process, the Company evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, renegotiation/forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

(b) Market risk

Market risk refers to the possibility of financial losses due to unfavorable movements in market prices. It affects businesses, investors, and financial institutions, as external factors can impact asset values, revenue, and profitability.

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 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.

(i) Price risk

The Company's exposure to securities price risk arises from investments held by the company and classified in the statement of financial position either as at fair value through other comprehensive income (FVOCI). To manage its price risk arising from investments in debt securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board. The company's FVOCI investments are publicly traded and are included in the FMDQ Securities Exchange Market

(ii) 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. The amount is immaterial for further evaluation.

(iii) 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 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.

Interest rate profile

At the end of the reporting period, the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are as follows:

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Financial assets			
Cash and cash equivalents	6	427,282	93,739
Placements with banks	7	1,621,130	1,813,404
Mortgage refinance loans	8	23,892,428	25,217,498
Investment securities	10	57,852,346	58,400,246
		83,793,186	85,524,887
Financial liabilities			
Debt securities issued	14(a)	17,973,980	20,391,537
Borrowings	14(b)	36,806,320	38,586,370
		54,780,300	58,977,907

Fair value sensitivity analysis for fixed rate instruments

The table below shows the impact on the Company's profit before tax if interest rates on financial instruments had increased or decreased by 100 basis points, with all other variables held constant. This is equal to the impact on equity as there is no tax applicable given the situation that the Company is in a taxable loss position.

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Increase in interest rate by 500 basis points (+5%)	1,450,644	1,327,349
Decrease in interest rate by 500 basis point (-5%)	(1,450,644)	(1,327,349)

Fair value sensitivity analysis for FVOCI financial assets

The table below shows the impact on the Company's other comprehensive income if interest rates on FVOCI securities had increased or decreased by 100 basis points, with all other variables held constant.

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Increase in interest rate by 500 basis points (+5%)	141,054	158,419
Decrease in interest rate by 500 basis point (-5%)	(141,054)	(158,419)

(c) Liquidity Risk

Liquidity risk refers to the potential difficulty a business or individual may face in meeting short-term financial obligations due to an inability to convert assets into cash quickly without significant loss.

Liquidity risk arises when the NMRC does not have sufficient funds to meet its financial obligations when they fall due. The Company manages 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.

The contractual maturity profile of financial instruments at the reporting periods were as follows:

31 December 2024								
<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal inflow	Less than 3 months	6 months	12 months	5 years	More than 5 years
Non-derivative assets								
Cash and cash equivalents	6	427,282	449,599	449,599				
Placements with banks	7	1,621,130	1,647,152	1,331,997	315,155	-	-	-
Mortgage refinance loans	8	23,892,428	40,283,554	1,246,204	1,239,272	2,358,382	17,961,562	17,478,134
Investments securities	10	57,852,346	130,786,984	2,534,735	1,162,224	3,712,024	38,780,884	84,597,117
Other financial assets	12	101,489	79,246	79,246	-	-	-	-
Total financial assets		83,894,675	173,246,535	5,641,781	2,716,651	6,070,406	56,742,446	102,075,251
Non-derivative liabilities								
Debt securities	14(a)	17,973,980	27,330,637	1,229,721	1,229,721	2,459,442	15,555,252	6,856,501
Borrowings	14(b)	36,806,320	62,804,443	-	1,146,158	1,150,948	8,874,610	51,632,727
Other financial liabilities	15	3,097,373	3,097,373	3,097,373	-	-	-	-
Total financial liabilities		57,877,673	93,232,453	4,327,094	2,375,879	3,610,390	24,429,862	58,489,228
Gap -assets/(liabilities)		26,017,002	80,014,082	1,314,687	340,772	2,460,016	32,312,584	43,586,023
Cumulative liquidity gap				1,314,687	1,655,459	4,115,475	36,428,059	80,014,082

31 December 2023								
<i>In thousands of Naira</i>	Note	Carrying amount	Gross nominal inflow	Less than 3 months	6 months	12 months	5 years	More than 5 years
Non-derivative assets								
Cash and cash equivalents	6	93,739	93,739	93,739	-	-	-	-
Placements with banks	7	1,813,404	1,814,154	806,206	826,247	181,701	-	-
Mortgage refinance loans	8	25,217,498	40,592,387	1,217,772	3,247,391	7,712,554	12,177,716	16,236,955
Pledged assets	9	1,146,669	1,204,002	1,204,002				
Investments securities	10	58,400,246	134,227,818	3,276,209	1,122,634	3,421,744	35,219,724	91,187,507
Other financial assets	13	78,705	61,264	61,264	-	-	-	-
Total financial assets		86,750,261	177,993,364	6,659,192	5,196,272	11,315,998	47,397,440	107,424,462
Non-derivative liabilities								
Debt securities	14(a)	20,391,537	32,249,824	1,229,721	1,229,721	2,459,442	20,474,439	6,856,501
Borrowings	14(b)	38,586,370	65,725,534	1,029,260	1,540,176	785,054	11,131,662	51,239,381
Other financial liabilities	15	418,940	418,940	418,940				
Total financial liabilities		59,396,847	98,394,298	2,677,921	2,769,897	3,244,497	31,606,101	58,095,883
Gap -assets/(liabilities)		26,206,745	38,173,613	2,321,251	8,824,250	14,050,395	7,833,462	5,144,256
Cumulative liquidity gap		-	-	2,321,251	11,145,501	25,195,896	33,029,357	38,173,613

The non-derivative financial assets and liabilities in the table above have been compiled using undiscounted cash flows, which include estimated interest payments.

(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) which sets and monitors capital requirements for the Company. In implementing current capital requirements, Central Bank of Nigeria requires the mortgage refinance companies to maintain a ratio of 10% of total capital to total risk-weighted assets.

- (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 Central Bank of Nigeria for licensed financial institutions.

- (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.

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 table below shows the break-down of the Company's regulatory capital for the year ended 31 December 2024. The capital adequacy ratio has been computed in line with Basel II rule.

Capital Adequacy Computation

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Tier 1 Capital		
Share capital	2,125,444	2,125,444
Share premium	5,925,232	5,925,232
Retained earnings	14,340,479	13,008,738
Statutory reserves	5,048,250	4,495,921
Other reserves	(380,715)	32,035
Total qualifying Tier 1 capital	27,058,690	25,587,370
Less:		
Intangible assets	(33,829)	(2,867)
Adjusted total qualifying Tier 1 capital	27,024,861	25,584,503
Tier 2 Capital		
Subordinated term debt	54,780,300	58,977,907
Other Comprehensive Income	(412,750)	(109,160)
Total qualifying Tier 2 capital	54,367,550	58,868,747
Adjusted total qualifying Tier 2 capital (limited to 33.33% of total Tier 1 capital)	9,008,287	8,528,168
Investment in the capital of banking and financial institutions	(10,000)	(10,000)
Total Regulatory Capital	36,023,147	34,102,671

Risk weighted assets

	31 December 2024	31 December 2023
Risk-weighted amount for credit risk	26,612,816	27,554,837
Risk-weighted amount for operational risk	11,098,670	10,378,649
Risk-weighted amount for market risk	-	-
Total weighted risk assets	37,711,486	37,933,486
Capital Adequacy Ratio (CAR)	96%	90%

The Company's capital adequacy ratio was 96% as at 31 December 2024 (31 December 2023: 90%) 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

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 forwardlooking 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 are 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 31 December 2024, 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 FINANCIAL ASSETS AND LIABILITIES

(a) The table below sets out the Company's classification of financial assets and liabilities, and their fair values:

31 December 2024

<i>In thousands of Naira</i>	Notes	Amortised cost	FVOCI - Debt instruments	FVOCI - Equity instruments	Mandatorily at FVTPL	Fair Value	Fair Value Hierachy	Total carrying amount
Cash and cash equivalents	6	427,282	-	-	-	427,282	2	427,282
Placements with banks	7	1,621,130	-	-	-	1,621,130	2	1,621,130
Mortgage refinance loans	8	23,892,428	-	-	-	23,892,428	2	23,892,428
Investment securities - FVOCI	10	-	2,811,072	10,000	-	2,821,072	2	2,821,072
Investment securities - Amortised cost	10	55,031,274	-	-	-	58,333,150	3	55,031,274
Other financial assets	11	101,489	-	-	-	101,489	3	101,489
		81,073,603	2,811,072	10,000	-	87,196,551		83,894,675
Debt securities issued	14(a)	17,973,980	-	-	-	17,973,980	2	17,973,980
Borrowings	14(b)	36,806,320	-	-	-	36,806,320	3	36,806,320
Other financial liabilities	15	3,097,373	-	-	-	3,097,373	3	3,097,373
		57,877,673	-	-	-	57,877,673		57,877,673

31 December 2023

<i>In thousands of Naira</i>	Notes	Amortised cost	FVOCI - Debt instruments	FVOCI - Equity instruments	Mandatorily at FVTPL	Fair Value	Fair Value Hierachy	Total carrying amount
Cash and cash equivalents	6	93,739	-	-	-	93,739	2	93,739
Placements with banks	7	1,813,404	-	-	-	1,813,404	2	1,813,404
Mortgage refinance loans	8	25,217,498	-	-	-	25,217,498	2	25,217,498
Investment securities - FVOCI	10	-	3,158,379	10,000	-	3,168,379	2	3,168,379
Investment securities - Amortised cost	10	55,231,867	-	-	-	52,007,740	3	58,190,807
Other financial assets	13	2,633,427	-	-	-	2,633,427	3	78,705
		82,435,213	3,158,379	10,000	-	79,211,085		85,394,152
Debt securities issued	14(a)	20,391,537	-	-	-	20,391,537	2	20,391,537
Borrowings	14(b)	38,586,370	-	-	-	38,586,370	3	38,586,370
Other financial liabilities	15	2,184,610	-	-	-	2,184,610	3	2,184,610
		61,162,517	-	-	-	61,162,517		61,162,517

6 CASH AND CASH EQUIVALENTS

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balances with banks	427,282	93,739
Cash and cash equivalents	427,282	93,739

Balances with banks have been assessed for impairment in line with IFRS 9. The expected credit losses (ECL) were calculated but determined to be immaterial due to the low credit risk of the reputable financial institutions holding these balances. No significant impairment losses were recognized.

7 PLACEMENTS WITH BANKS

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Placements with banks	1,621,130	1,814,154
Impairment loss allowance (see note (a) below)	-	(750)
	1,621,130	1,813,404
Current	1,621,130	1,813,404
Non-current	-	-
	1,621,130	1,813,404

The movement in impairment allowance on placements with banks was assessed for impairment and from computation, the change is deemed immaterial and has not been recognised.

(a) Impairment loss allowance

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	750	7,103
Impairment writeback	(750)	(6,353)
Balance, end of year	-	750

8 MORTGAGE REFINANCE LOANS

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Loans and advances	24,003,598	25,376,396
Impairment loss allowance (see note (a) below)	(111,170)	(158,898)
Loans and advances at amortised cost	23,892,428	25,217,498
Loans and advances at amortised cost comprises of:		
Loans to commercial banks	13,037,210	14,165,737
Loans to mortgage banks	10,855,218	11,210,659
	23,892,428	25,376,396
Current	4,284,891	4,465,163
Non-current	19,607,537	20,752,335
	23,892,428	25,217,498

(a) Impairment loss allowance

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	158,898	217,023
Impairment writeback during the year	(47,728)	(58,125)
Balance, end of year	111,170	158,898

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

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Secured against real estate	24,003,598	25,376,396
Unsecured	-	-
Balance, end of year	24,003,598	25,376,396

9 PLEDGED ASSETS

<i>In thousands of Naira</i>	31 December 2024		
	FVOCI Instruments	Instrument at Amortised	Total
Asset exchanged under repurchase agreement			
FGN Bonds	-	-	-
ECL allowance on assets under repo (see (a) below)	-	-	-
	-	-	-

<i>In thousands of Naira</i>	31 December 2023		
	FVOCI Instruments	Instrument at Amortised	Total
Asset exchanged under repurchase agreement			
FGN Bonds	86,103	1,062,083	1,148,186
ECL allowance on assets under repo (see (a) below)	-	(1,517)	(1,517)
	86,103	1,060,565	1,146,669

Assets exchanged under repurchase agreement as at 31 December 2023 were with the following counterparty:

<i>In thousands of Naira</i>	Carrying value of asset	Carrying value of liability
Stanbic IBTC Bank	1,146,669	1,029,589
Current	1,146,669	1,029,589
Non Current	-	-
Total	1,146,669	1,029,589

(a) Impairment loss allowance

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	1,517	-
(Writeback)/Impairment during the year	(1,517)	1,517
Total	-	1,517

Pledged asset are asset exchanged in a repurchase agreement with counterparties. Under the arrangement, ownership of the asset do not transfer to the counterpaty during the period of the transaction.

10 INVESTMENT SECURITIES

(a) Analysis of investments

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
FVOCI investment securities:		
Federal Government of Nigeria Bonds		
Treasury bills	2,636,013	2,948,939
Unquoted equity instrument	175,059	209,439
Impairment loss allowance	10,000	10,000
	2,821,072	3,168,379
Investment securities at amortised cost:		
Federal Government of Nigeria Bonds	55,112,588	55,310,884
Impairment loss allowance (see note (i) below)	(81,314)	(79,017)
	55,031,274	55,231,867

Included in these investments are securities held with respect to accrued guarantee fee (See note 14(a)(iii)).

Current

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
FVOCI investment securities	578,119	209,439
Investment securities at amortised cost	7,802,634	-
	8,380,753	209,439

Non-current

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
FVOCI investment securities	2,242,953	2,958,939
Investment securities at amortised cost	47,228,640	55,231,867
	49,471,593	58,190,806
Total investment securities at FVOCI	2,821,072	3,168,379
Total investment securities at amortised costs	55,031,274	55,231,867

(i) Impairment loss allowance

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	79,017	85,563
Impairment loss/(writeback) during the year	2,296	(6,546)
Balance, end of year	81,314	79,017

(b) Movement in investment securities

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

<i>In thousands of Naira</i>	2024		
	FVOCI instruments	Instruments at amortised cost	Total
At 1 January, 2024	3,168,379	55,231,867	58,400,246
Impairment charge	-	(2,296)	(2,296)
Interest income	521,515	6,553,791	7,075,306
Interest received	(513,415)	(6,752,088)	(7,265,503)
Purchase of investment securities	1,854,510	-	1,854,510
Matured/disposed investments	(1,797,167)	-	(1,797,167)
Fair value loss on debt instruments recognised in OCI (see note 16(d))	(412,750)	-	(412,750)
At 31 December 2024	2,821,072	55,031,274	57,852,346

<i>In thousands of Naira</i>	2023		
	FVOCI instruments	Instruments at amortised cost	Total
At 1 January, 2023	2,543,939	56,342,656	58,886,595
Impairment (charge)/writeback	-	6,546	6,546
Interest income	420,250	6,617,393	7,037,643
Interest received	(335,074)	(7,836,244)	(8,171,318)
Purchase of investment securities	649,070	101,517	750,587
Fair value loss on debt instruments recognised in OCI (see note 16(d))	(109,160)	-	(109,160)
At 31 December 2023	3,168,379	55,231,867	58,400,246

11 OTHER ASSETS

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Non financial assets:		
Prepaid staff benefits	44,276	14,926
Prepaid IT expenses	80,040	41,631
Other borrowing cost (see (a) below)	445,984	22,500
WHT Receivable	76,309	87,254
	646,608	166,311
Financial assets:		
Staff loans and advances	19,588	29,955
Deposit for shares (see (b) below)	26,746	26,746
Other receivables (see (c) below)	55,155	22,545
	101,489	79,246
Impairment on other assets	(541)	(541)
	100,948	78,705
	747,557	245,016
Current	747,557	245,016
Non-current	-	-
	747,557	245,016

- (a) This represents the commitment fee paid for securing a long-term funding facility provided by a development finance institution.
- (b) This represents NMRC's seed capital contribution towards establishing the Nigeria Mortgage Guarantee Company. The establishment of the company is being coordinated by the Central Bank of Nigeria.
- (c) This represents amount due from various transaction parties and former employees. The balances were performing as at the reporting date.

12 PROPERTY PLANT AND EQUIPMENT

<i>In thousands of Naira</i>	Building	Land	Computer Equipment	Office Equipment	Freehold Improvements	Furniture and Fittings	Motor Vehicle	Plant and Machinery	Work-in-progress	Capital	Total
Cost											
At 1 January 2024	39,000	293,720	279,476	18,897	75,081	32,101	215,857	13,226	38,700	1,006,057	
Additions	-	-	94,417	-	-	484,75	33,525	-	138,369	266,796	
Disposals	-	-	(8,547)	-	-	-	(162,773)	-	-	(171,320)	
Reclassifications	-	-	106,920	-	-	-	-	-	(145,620)	(38,700)	
At 31 December 2024	39,000	293,720	472,266	18,897	75,081	32,585	86,609	13,226	31,449	1,062,834	
At 1 January 2023	39,000	293,720	263,595	17,604	75,081	31,583	194,439	13,226	-	928,248	
Additions	-	-	15,964	1,210	-	518	31,349	(0)	38,700	87,741	
Disposals	-	-	-	-	-	-	(9,931)	-	-	(9,931)	
Reclassifications	-	-	(84)	84	-	-	-	-	-	-	
At 31 December 2023	39,000	293,720	279,476	18,897	75,081	32,101	215,857	13,226	38,700	1,006,058	
Accumulated Depreciation											
At 1 January 2024	4,026	-	248,744	15,828	48,666	20,572	160,806	13,226	-	511,867	
Charge for the year	780	-	42,138	1,333	18,651	7,930	20,227	-	-	91,058	
Disposals	-	-	(5,074)	-	-	-	(154,244)	-	-	(159,318)	
At 31 December 2024	4,806	-	285,724	17,244	67,317	28,502	26,789	13,226	-	443,607	
At 1 January 2023	3,246	-	224,073	14,196	30,349	13,020	154,248	13,226	-	452,358	
Charge for the year	780	-	24,671	1,631	18,317	-	16,489	-	-	69,439	
Disposals	-	-	(0)	0	-	7,552	(9,931)	-	-	(9,931)	
At 31 December 2023	4,026	-	248,744	15,828	48,666	20,572	160,806	13,226	-	511,866	
Net book value											
At 31 December 2024	34,194	293,720	186,542	1,653	7,764	4,084	59,820	-	31,449	619,227	
At 31 December 2023	34,974	293,720	30,732	3,070	26,416	11,529	55,052	-	38,700	494,192	

- (i) The Company had no capital commitments and no assets pledged as security for borrowings as at 31 December 2024 (31 December 2023: Nil)
- (ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year (31 December 2023: Nil)
- (iii) There were no leased assets during the year (31 December 2023: Nil)

13 INTANGIBLE ASSETS

<i>In thousands of Naira</i>	Computer Software
Cost	
At 1 January 2024	91,187
Reclassification from work in progress	38,700
At 31 December 2024	129,887
At 1 January 2023	91,187
Additions	-
At 31 December 2023	91,187
Accumulated Amortisation	
At 1 January 2024	88,320
Charge for the year	7,738
At 31 December 2024	96,058
At 1 January 2023	87,044
Charge for the year	1,276
At 31 December 2023	88,320
Net book value	
At 31 December 2024	33,829
At 31 December 2023	2,867
(i) The Company had no commitments relating to the acquisition of intangible assets as at 31 December 2024 (December 2023: Nil)	
(ii) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year (31 December 2023: Nil)	

14 BORROWINGS AND DEBT SECURITIES

(a) Debt securities issued

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Fixed rate debt security issued at amortized cost (see note (i) below)	17,973,980	20,391,537
	17,973,980	20,391,537
Current	1,341,478	4,918,884
Non-current	16,632,502	15,472,653
	17,973,980	20,391,537

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

Series	Issue size	Rate	Issue date	Maturity date
1	N8 billion	14.90%	29-Jul-15	29-Jul-30
2	N11 billion	13.80%	21-May-18	15-Mar-33
3	N10 billion	7.20%	2-Nov-20	2-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

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Short term borrowings (see note (i) below)	-	1,029,589
Borrowings from FGN (see note (ii) below)	36,806,320	37,556,781
	36,806,320	38,586,370
Current	2,341,252	1,982,822
Non-current	34,465,068	36,603,549
	36,806,320	38,586,370

- (i) Short term borrowing represents the amount payable on the repurchase facility with Stanbic IBTC Bank. As at 31 December 2024, the company had no balance outstanding.
- (ii) Borrowings from FGN represents an International Development Agency (IDA) facility granted to the Federal Republic of Nigeria for the funding of the Housing Finance Programme. The loan, which purpose is the establishment of a mortgage liquidity facility, was received in Naira by Nigeria Mortgage Refinance Company Plc through the Central Bank of Nigeria (CBN) in three tranches on 27 June 2014, 3 July 2015, and 12 October 2018. The loan is tenured 40 years from the date of commencement.

The borrowing is recognized at amortized cost.

15 OTHER LIABILITIES

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Non-financial liabilities		
Withholding tax payable	9,922	3,108
ITF payable	9,543	9,795
	19,465	12,902
Financial liabilities		
Accrued contribution towards market development (see note 14(a)(ii))	2,560,536	2,184,610
Accrued professional fees	46,509	29,877
Performance bonus payable to employees	167,360	213,266
Other account payable (a)	212,177	200,189
Sundry creditors (b)	110,791	5,485
	3,097,373	2,633,427
	3,116,837	2,646,329
Current	3,116,837	2,646,329
Non-current	-	-
	3,116,837	2,646,329

- (a) Other account payable warehouses unclaimed dividend returned (N175.5m) (2023: N175.5m) and payables to vendors (N36.7m) (2023: N24.7m) in respect of administrative services rendered to the Company.
- (b) Sundry creditors represent amounts payable to consultants engaged specifically for facilitating board training sessions. These amounts were accrued to cover the costs associated with the training provided to the Board of Directors.

16 CAPITAL AND RESERVES

(a) Share capital and share premium

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
(i) Minimum issued shares:		
2,125,444,427 ordinary shares of N1.00 each	2,125,444	2,125,444
(ii) Issued and fully paid:		
Balance at beginning of the year	2,125,444	2,125,444
	2,125,444	2,125,444
(iii) Share premium		
Share premium is the excess paid by shareholders over the nominal value of their shares.		
<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance at beginning of the year	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>	31 December 2024	31 December 2023
Balance, beginning of year	13,008,738	11,057,663
Transfer from statement of profit or loss and other comprehensive income	3,682,189	3,552,395
Transfer to statutory reserve	(552,328)	(532,859)
Transfer to statutory credit risk reserve (See note 28 below)	(34,000)	(69,502)
Dividend paid (See note (ii) below)	(1,764,119)	(998,959)
Balance, end of year	14,340,479	13,008,738

- (i) Included in the retained earnings is N9.9 billion (2023: N8.5 billion) which is the non-distributable portion of retained earnings attributable to the utilization of the IDA facility.
- (ii) The company paid dividend of N1.7 billion in 2024 (2023: N998 million)

(c) Statutory reserve

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	4,495,921	3,963,062
Adjustment on initial application of IFRS 9	-	-
Transfer from retained earnings (see note (i) below)	552,328	532,859
Balance, end of year	5,048,250	4,495,921

- (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). In 2024, having met the requirement, the company transferred 15% of its net profit to statutory reserves (2023: 15%)

(d) Fair value reserves

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of year	32,035	141,195
Fair value loss for the year (see note (i) below)	(411,251)	(109,806)
Net remeasurement of ECL loss allowance on FVOCI debt instruments	(1,499)	646
Balance, end of year	(380,715)	32,035

- (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.

17 INTEREST INCOME CALCULATED USING EFFECTIVE INTEREST RATE

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Cash and cash equivalents	5,634	3
Placements with banks	385,692	292,089
Mortgage refinance loans	2,969,789	2,978,844
Treasury bills	101,265	17,986
Federal Government of Nigeria bonds	6,974,041	7,037,641
Total interest income calculated using effective interest method	10,436,421	10,326,562

(a) Interest income can further be broken down as follows:

31 December 2024

<i>In thousands of Naira</i>	Amortised cost	FVOCI	Total
Cash and cash equivalents	5,634	-	5,634
Placements with banks	385,692	-	385,692
Mortgage refinance loans	2,969,789	-	2,969,789
Treasury bills	-	101,265	101,265
Federal Government of Nigeria bonds	6,553,791	420,250	6,974,041
	9,914,906	521,515	10,436,421

31 December 2023

<i>In thousands of Naira</i>	Amortised cost	FVOCI	Total
Cash and cash equivalents	3	-	3
Placements with banks	292,089	-	292,089
Mortgage refinance loans	2,978,844	-	2,978,844
Treasury bills	-	17,986	17,986
Federal government of Nigeria bonds	6,617,391	420,250	7,037,641
	9,888,327	438,236	10,326,562

18 INTEREST EXPENSE CALCULATED USING EFFECTIVE INTEREST RATE

Interest expense at amortised cost comprises of:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Interest expense on borrowings	1,619,065	1,620,002
Interest expense on debt securities issued	2,508,073	2,792,236
	4,127,138	4,412,238

19 OTHER INCOME

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Profit on disposal of property, plant and equipment	8,860	-
Foreign exchange gain	5,066	664
	13,926	664

20 PERSONNEL EXPENSES

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Salaries and allowances	685,899	663,955
Defined contribution plan	28,085	23,235
Group Life Assurance	11,996	10,699
Other staff cost (See note (a) below)	362,759	331,987
	1,088,739	1,029,875

(a) Other staff cost is made up of other short term employee costs such as health insurance, statutory payroll contributions and performance incentives etc.

(b) The average number of persons employed during the year by category were as follows:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Executive	1	1
Management	8	8
Non-management	12	13
	21	22

(c) The table below shows the number of employees (excluding non-executive directors), whose earnings during the year fell within the ranges shown below:-

	31 December 2024	31 December 2023
N300,001 - N2,000,000	-	-
N2,000,001 - N3,000,000	-	-
N3,000,001 - N4,000,000	-	-
N4,000,001 - N5,000,000	-	-
N5,000,001 - N6,000,000	-	-
N6,000,001 - N7,000,000	-	-
N7,000,001 - N8,000,000	2	2
N8,000,001 - N9,000,000	3	3
N9,000,001 - N10,000,000	-	-
N10,000,001 and above	16	17
	21	22

21 NET IMPAIRMENT WRITEBACK ON FINANCIAL ASSETS

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
a.) Impairment (writeback) on loans and advances	(47,728)	(58,125)
Impairment (writeback)/charge of investment securities at FVOCI	(1,499)	646
Impairment charge/(writeback) on investment securities at amortised cost	2,296	(6,546)
Impairment (writeback)/charge on pledged assets	(1,517)	1,517
Impairment writeback of placements with banks	(750)	(6,353)
b.) Impairment writeback on other financial assets	(1,470)	(10,734)
Total Impairment	(49,198)	(68,859)

22 OTHER OPERATING EXPENSES

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Service charge/legal fees	15,267	316
ITF Levy	10,047	2,282
NSITF	7,315	6,422
General admin expenses	68,547	51,846
Audit fee (See note (b) below)	43,000	33,325
Custody fees	37,369	38,274
Bank charges	8,757	9,803
Utility and electricity	39,699	22,095
Advertisement	29,241	28,321
Insurance	9,314	7,164
IT cost	200,865	140,570
Professional fees (see note (a) below)	81,337	92,377
Stationery and printing	1,031	250
Recruitment expense	507	1,057
Corporate gifts and branding	44,370	17,547
Subscription expenses	42,685	54,328
Annual general meeting expenses	19,206	18,459
Business and product development expenses	-	60
Corporate social responsibility (CSR)	22,317	14,285
Directors fees	64,309	48,750
Flight & transportation cost	75,478	45,339
Hotel accommodation expenses	543	1,928
Conferences	39,391	40,689
Other directors expenses	31,741	29,749
Other board expenses	111,323	114,627
Staff welfare and training	10,889	36,415
Sponsorship	22,038	22,261
Guarantee fee (see note 14(a)(iii))	375,926	364,124
	1,412,512	1,242,662

(a) The Company paid professional fees during the year as follows:-

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Financial consultancy services	4,762	4,300
Tax consultancy services	9,128	11,589
Bond rating/related services	53,669	51,131
Project management, compliance and market advisory services	8,778	17,913
Other advisory services	5,000	7,444
	81,337	92,377

(b) During the period, there were no non-audit fees paid to the external auditors.

23 TAXATION

(a) Income tax expense

(i) Recognised in profit or loss

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Major component of the tax expense:		
Minimum tax	52,252	51,636
	52,252	51,636
Income tax expense:		
Information technology tax	37,731	36,382
Police Trust Fund Levy	189	182
	37,920	36,564
Total income tax expense	90,172	88,200

(ii) Reconciliation of effective tax rate

<i>In thousands of Naira</i>	31 December 2024			31 December 2023	
Profit before tax			3,772,361		3,640,595
Tax using domestic corporation tax rate	30%	30%	1,131,708	30%	1,092,179
Non-deductible expenses	1%	1%	41,796	1%	44,910
Tax exempt income	-56%	-56%	(2,122,207)	-58%	(2,122,207)
Information technology tax	1%	1%	37,731	1%	36,382
Police trust fund levy	0%	0%	189	0%	182
Minimum tax	1%	1%	52,252	1%	51,636
Unrecognised deductible temporary differences	25%	25%	948,703	27%	985,118
	2%	2%	90,172	2%	88,200

(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>	31 December 2024	31 December 2023
Balance, beginning of year	107,159	104,482
Charge for the year	90,172	88,200
Tax paid	(88,225)	(85,523)
Balance, year end	109,106	107,159

(c) Unrecognised deferred tax asset

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The deferred tax assets of Nigeria Mortgage Refinance Company which relates primarily to temporary difference in the recognition of depreciation and capital allowances on property and equipment, unrelieved tax losses and collective impairment on loans were not recognized in these financial statements. This is due to the uncertainty about the availability of future taxable profits against which deferred tax assets can be utilized.

The unrecognized deferred tax asset during the year is attributable to the following:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Property, plant and equipment	250,508	251,516
Unrelieved tax losses	6,255,481	5,380,360
Collective impairment	92,374	75,364
	6,598,363	5,707,240

The movement in the unrecognized deferred tax asset during the year was as follows:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Balance, beginning of the year	5,707,240	4,891,499
(Debit)/Credit for the year	891,123	815,741
Balance, end of the year	6,598,363	5,707,240

24 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 year.

31 December 2024

Weighted average number of ordinary shares

<i>In thousands of units of shares</i>	Note	Shares Outstanding	Period Covered	Weighted shares
Number of Shares at the beginning of the year	16(a)	2,125,444	1.00	2,125,444
Number of Shares at the end of the year	16(a)	2,125,444	1.00	2,125,444
Weighted average number of ordinary shares				2,125,444
<i>Profit attributable to equity holders</i>				3,682,189
<i>Earnings per share (kobo)</i>				173

31 December 2023

Weighted average number of ordinary shares

<i>In thousands of units of shares</i>	Note	Shares Outstanding	Period Covered	Weighted shares
Number of Shares at the beginning of the year 16(a)	16(a)	2,125,444	1.00	2,125,444
Number of Shares at the end of the year 16(a)	16(a)	2,125,444	1.00	2,125,444
Weighted average number of ordinary shares				2,125,444
Profit attributable to equity holders				3,552,395
Earnings per share (kobo)				167

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

25 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 (Amendment) Act, 2023, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars during the year ended 31 December 2024 (31 December 2023: Nil)

26 CONTINGENT LIABILITIES

As of 31 December 2024, the Company was involved in two litigations and claims with an estimated value of N208 million (31 December 2023: N458 million). These matters arose in the normal course of business and are actively being contested by the Company.

Subsequent to year-end, the court ruled against the Company in one of these cases, awarding the claimant N9 million. This amount has been assessed as immaterial to the 2024 financial statements and does not require an adjustment.

For the second matter, the directors believe it is unlikely to have a material adverse effect on the Company. Furthermore, the directors have confirmed that they are not aware of any additional pending or threatened claims or litigations that could materially impact the financial statements.

27 RELATED PARTY TRANSACTIONS, INCLUDING INSIDER-RELATED TRANSACTIONS

(a) (i) Key management personnel compensation

Key management personnel are those persons having authority and responsibility, whether directly or indirectly, for planning, directing, and controlling the activities of the Company. This includes executive and non-executive directors, and senior management personnel.

Compensation of the Company's key management personnel comprises:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Short-term employee benefits	475,581	456,601
Pension cost	22,747	22,757
	498,328	479,358

(ii) Directors' emoluments

The remuneration paid to directors (excluding executive directors) were as follows:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Fees	64,309	48,750
Sitting and other allowances	31,741	29,749
	96,050	66,215

The number of directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
N1,000,000 and above	8	8

(iii) Chairman and Highest paid director

	31 December 2024	31 December 2023
Chairman	13,525	9,750
Highest paid director	136,288	136,288

(b) Transactions with shareholders

During the year ended 31 December 2024, the following transactions occurred between the Company and some of its shareholders.

(i) Money market placements

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Access Bank Plc		
-Current accounts	390,436	52,899
-Money market placements	-	220,000
Sterling Bank Plc		
-Current accounts	-	35,392
-Money market placements	-	-
Homebase Mortgage Bank		
-Money market placements	924,488	531,946
-Money market placements	104,896	100,000
Gateway Mortgage bank		
-Money market placements	-	350,000
Infinity Trust Mortgage Bank		
-Money market placements	103,716	100,000
LivingTrust Mortgage Bank		
-Money market placements	228,723	350,000
FHA Mortgage Bank		
-Money market placements	103,022	100,000
Standard chartered.		
-Money market placements	151,230	-
	2,006,510	1,840,237

(ii) Mortgage refinance loans

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Imperial Homes Mortgage Bank Limited	-	983,119
Abbey Mortgage Bank Plc	822,913	502,091
First Trust Mortgage Bank Plc	1,833,307	1,014,460
Suntrust Bank Nigeria Limited	920,872	4,315,812
Homebase Mortgage Bank Limited	4,113,034	3,073,868
Stanbic IBTC Bank Limited	2,772,372	1,361,698
Sterling Bank Plc	1,024,860	1,998,177
Infinity Trust Mortgage Bank Plc	414,920	5,138,425
Access Bank Plc	4,825,504	210,935
Brent Mortgage Bank	199,833	875,692
Gateway Mortgage Bank	1,507,105	1,231,792
	18,434,722	20,706,068

(iii) Interest income

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Access Bank Plc		
- Interest income on money market placements	27,411	23,823
Sterling Bank Plc		
- Interest income on money market placements	49,985	24,435
Homebase Mortgage Bank		
- Interest income on money market placements	123,217	57,723
Gateway Mortgage bank		
- Interest income on money market placements	40,562	24,789
Delta Trust Mortgage Bank		
- Interest income on money market placements	11,562	2,921
Infinity Trust Mortgage Bank		
- Interest income on money market placements	13,516	15,005
FHA Mortgage Bank		
- Interest income on money market placements	12,418	3,866
LivingTrust Mortgage Bank		
- Interest income on money market placements	49,698	26,278
- Interest income on money market placements	57,000	-
	385,367	178,840

28 STATEMENT OF PRUDENTIAL ADJUSTMENTS

(i) Loans and advances to customers

<i>In thousands of Naira</i>		31 December 2024	31 December 2023
ECL impairment allowance on mortgage refinance loans	8 (b)	111,170	158,898
Total impairment allowance on mortgage refinance loans (a)		111,170	158,898
Total impairment based on prudential guidelines (b)		240,036	253,764
Difference (c) = a - b		(128,866)	(94,866)

In accordance with Central Bank of Nigeria Prudential Guidelines, the Company has made transfer to the regulatory risk reserve.

29 STATEMENT OF CASHFLOW WORKINGS

(a) Changes in Mortgage refinance loans

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Mortgage refinance loans at the beginning of the year		25,217,498	24,021,645
Interest income	17	2,969,789	2,978,844
Interest received	29(ii)	(3,029,185)	(2,998,547)
Impairment expense		47,728	58,125
Mortgage refinance loans at the end of the year		(23,892,428)	(25,217,498)
Gross movement in Mortgage refinance loans		1,313,402	(1,157,431)
Amount recognized in cash flow		1,313,402	(1,157,431)

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Interest receivable at the beginning of the year		158,898	178,600
Interest income during the year	17	2,969,789	2,978,844
Interest receivable at the end of the year		(99,502)	(158,898)
Interest received during the year		3,029,185	2,998,547

(b) Net change in placements with banks

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Placements at the beginning of the year	7	1,813,404	1,755,644
Interest income		385,692	292,089
Interest received		(393,406)	-
Impairment (charge)/writeback	7	750	6,353
Placements at the end of year	7	(1,621,130)	(1,813,404)
Cash inflow/(outflow)		185,310	240,682

(c) Changes in other assets

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Balance at the beginning of the year	11	245,016	176,306
Impairment (charge)		-	-
Balance at the end of the year	11	(747,557)	(245,016)
Cash outflow		(502,541)	(68,710)

(d) Interest received

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Total interest receivable in prior year		113,880,477	92,367,580
Interest income in current year	17	10,436,421	10,326,562
		124,316,898	102,694,142
Total interest receivable in current year		(135,010,625)	(113,880,477)
Interest received		(10,693,728)	(11,186,335)
Interest income received on mortgage refinance loans	29(a)	3,029,185	2,998,547
Interest income received on cash and cash equivalents	17	5,634	3
Interest income received on placements with banks		393,406	-
Interest income received on treasury bills	17	101,265	17,986
Interest income received on investment securities - FVOCI	10(b)	513,415	335,074
Interest income received on investment securities - Amortised cost	10(b)	6,650,823	7,834,726
Total interest income received		10,693,728	11,186,335

(e) Repayment of borrowings and debt securities

<i>In thousands of Naira</i>	31 December 2024	31 December 2023
Total payable in prior year		
- Debt securities	20,391,537	22,530,685
- Borrowings	38,586,370	37,532,959
Proceeds from debt securities issued during the year	-	-
Proceeds from borrowings	-	1,000,000
Interest paid on borrowings	(1,577,423)	(1,566,591)
Interest paid on debt securities issued	(2,223,646)	(2,257,747)
Principal repayment of debt securities issued	(2,701,986)	(2,673,637)
Principal repayment of borrowings	(1,821,694)	-
Interest expense in current year	4,127,138	4,412,238
	54,780,300	58,977,907
Total payable in current year		
- Debt securities	(17,973,980)	(20,391,537)
- Borrowings	(36,806,320)	(38,586,370)
changes due to amortized cost measurement		

Principal repaid		
- Debt securities	(2,701,986)	(1,085,737)
- Borrowings	(1,821,694)	-
Total principal repaid	(4,523,680)	(1,085,737)
Interest paid		
- Debt securities	(2,223,646)	(2,257,747)
- Borrowings	(1,577,423)	(1,566,591)
Total interest paid	(3,801,069)	(4,412,238)

(f) Profit on disposal of property and equipment

<i>In thousands of Naira</i>	Note	31 December 2024	31 December 2023
Cost	12	171,320	9,931
Accumulated depreciation	12	(159,318)	(9,931)
NBV		12,002	-
Sales proceed		20,862	-
Profit on disposal	19	8,860	-



OTHER NATIONAL DISCLOSURES

Value Added Statement

<i>In thousands of Naira</i>	31 December 2024	%	31 December 2023	%
Gross earnings	10,450,347		10,327,226	
Loan loss expenses/diminution in risk assets	47,728		58,125	
Bought-in materials and services - Local	(1,411,040)		(1,231,928)	
Value added	9,087,035	100	9,153,423	(100)
Applied to pay:				
<i>To providers of finance</i>				
Interest expense on borrowings	1,619,065	17	1,620,002	17
Interest expense on debt securities issued	2,508,073	28	2,792,236	31
<i>To employees</i>				
Personnel expenses	1,088,739	12	1,029,875	11
<i>To the Government</i>				
Taxation	90,172	1	88,200	1
<i>Retained in the business:</i>				
Depreciation and amortisation	98,796	1	70,715	1
Profit for the year	3,682,189	41	3,552,395	39
Value added	9,087,035	100	9,153,423	100

Five Year Financial Summary

Statement of Financial Position

<i>In thousands of Naira</i>	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Assets					
Cash and cash equivalents	427,282	93,739	337,585	2,819,440	16,406,918
Placements with banks	1,621,130	1,813,404	1,755,644	675,182	447,774
Mortgage refinance loans	23,892,428	25,217,498	24,021,645	21,104,863	17,478,531
Pledged assets	-	1,146,669	-	-	-
Investment securities - FVOCI	2,821,072	3,168,379	2,543,939	2,415,495	4,481,285
Investment securities - Amortised cost	55,031,274	55,231,867	56,342,656	57,334,806	45,564,118
Other assets	747,557	245,016	176,306	151,389	137,161
Intangible assets	33,829	2,867	4,143	4,901	12,954
Property, Plant and Equipment	619,227	494,192	475,890	492,412	515,978
Total assets	85,193,799	87,413,631	85,657,808	84,998,488	85,044,719
Liabilities					
Other liabilities	3,116,837	2,646,329	2,251,722	1,904,513	1,632,946
Current tax liabilities	109,106	107,159	104,482	68,309	53,320
Debt securities issued	17,973,980	20,391,537	22,530,685	24,506,298	26,275,287
Borrowings	36,806,320	38,586,370	37,532,959	37,594,065	37,598,419
Total liabilities	58,006,243	61,731,395	62,419,848	64,073,185	65,559,972
Net assets	27,187,556	25,682,235	23,237,960	20,925,304	19,484,747
Capital and reserves					
Share capital and share premium	8,050,676	8,050,676	8,050,676	8,050,676	8,050,676
Retained earnings	14,340,479	13,008,738	11,057,663	9,166,104	7,234,232
Statutory reserves	5,048,250	4,495,921	3,963,062	3,455,309	2,957,545
Statutory credit risk reserve	128,866	94,866	25,364	17,356	-
Fair value reserve	(380,715)	32,035	141,195	235,858	1,242,294
Total equity	27,187,556	25,682,236	23,237,960	20,925,304	19,484,747
Total liabilities and equity	85,193,799	87,413,631	85,657,808	84,998,488	85,044,719

Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Naira</i>	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Interest income calculated using effective interest rate	10,436,421	10,326,562	10,109,026	9,759,205	9,163,807
Interest expense calculated using effective interest rate	(4,127,138)	(4,412,238)	(4,590,188)	(4,734,632)	(4,255,164)
Net interest income	6,309,283	5,914,324	5,518,838	5,024,573	4,908,643
Other income	13,926	664	813	146,627	13,718
Total income	6,323,209	5,914,988	5,519,651	5,171,200	4,922,361
Impairment of loans and advances	49,198	68,859	(61,712)	11,864	83,752
Personnel expenses	(1,088,738)	(1,029,875)	(861,833)	(798,750)	(783,970)
Depreciation & amortization	(98,796)	(70,715)	(84,779)	(83,709)	(111,708)
Other operating expenses	(1,412,512)	(1,242,662)	(1,031,339)	(913,850)	(1,070,582)
Profit before income tax	3,772,361	3,640,595	3,479,988	3,386,755	3,039,853
Income tax expense	(90,172)	(88,200)	(94,970)	(68,331)	(53,783)
Profit for the year	3,682,189	3,552,395	3,385,018	3,318,425	2,986,071
Items that are or may be reclassified to profit or loss - <i>Changes in fair values of FVOCI debt instruments</i>	(412,750)	(109,160)	(94,663)	(1,006,436)	685,764
Other comprehensive income, net of income tax	(412,750)	(109,160)	(94,663)	(1,006,436)	685,764
Total comprehensive profit for the year	3,269,439	3,443,235	3,290,355	2,311,989	3,671,835
Profit attributable to:					
Equity holders of the Company	3,682,189	3,552,395	3,385,018	3,318,425	2,986,071
Profit for the year	3,682,189	3,552,395	3,385,018	3,318,425	2,986,071
Total comprehensive profit attributable to:					
Equity holders of the Company	3,682,189	3,443,235	3,290,355	2,311,989	3,671,835
Total comprehensive profit for the year	3,269,439	3,443,235	3,290,355	2,311,989	3,671,835
Earnings per share (Basic and diluted)	173 k	167 k	159 k	156 k	140 k

**Affix
Current
Passport**

(To be stamped by Banks)

Write your name at the back of
your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM



Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

Only Clearing Banks are acceptable

TICK	NAME OF COMPANY	SHARE A/C NO
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name	First Name	Other Names
<input type="text"/>		
Address:		
<input type="text"/>		
<input type="text"/>		
City	State	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>
Previous Address (If address has changed)		
<input type="text"/>		
<input type="text"/>		
CHN	CSCS A/c No	
<input type="text"/>	<input type="text"/>	
Name of Stockbroker		
<input type="text"/>		
Mobile Telephone 1	Mobile Telephone 2	
<input type="text"/>	<input type="text"/>	
Email Address	Company Seal (If applicable)	
<input type="text"/>	<input type="text"/>	
Signature(s)	Joint/Company's Signatories	
<input type="text"/>	<input type="text"/>	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4



Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com



SHAREHOLDER'S INFORMATION UPDATE FORM

Date (DD/MM/YYYY)

We wish to request that my/our details as (a) Shareholder(s) of Nigeria Mortgage Refinance Company PLC be amended to reflect the following information:

Company Name:

Present Postal Address

Previous Postal Address

E-Mail

Mobile (GSM) Phone Number

BVN

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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We confirm that all information supplied is to the best of my/our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied.

Company Seal/ Incorporation number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

Kindly return the duly completed form to the
Registrar, Meristem Registrars And Probate Services
Limited 213, Herbert Macaulay Way Adekunle-Yaba
Lagos State

Proxy Form

The 11th Annual General Meeting of Nigeria Mortgage Refinance Company PLC (NMRC) will hold at the **Abora Hall, Eko Hotel and Suites, Adetokunbo Ademola Street, Victoria Island, Lagos** on **Wednesday, July 30, 2025 at 10:00a.m.**

I/We, of being a member/members of
Nigeria Mortgage Refinance Company PLC hereby appoint:

(Please tick the box beside the name of the proxy being appointed)

(1) Mr. Ayo Olowookere	<input type="checkbox"/>
(2) Mr. Abdulqawil A. Bello	<input type="checkbox"/>
(3) Mrs. Sybil Etuk	<input type="checkbox"/>
(4) Mrs. Oluwatosin Vincent-Adeyemo	<input type="checkbox"/>
(5) Mr. Olashore Rotimi Moses	<input type="checkbox"/>
(6) Mr. Kehinde Ogundimu	<input type="checkbox"/>
(7) Mr. Tayo Awopegba	<input type="checkbox"/>
(8) Mr. Arinze Adigwe	<input type="checkbox"/>
(9) Mrs. Olukemi A. Manliki	<input type="checkbox"/>

or failing any of the names above, the Chairman as my/our proxy to act and vote on behalf of me/us at the Annual General Meeting to be held on 30th July 2025 at 10:00a.m. at the Abora Hall, Eko Hotel and Suites, Adetokunbo Ademola Street, Victoria Island, Lagos or at any adjournment thereof.

Dated this.....day of2025.

Signature of Shareholder

.....

Name of Shareholder

.....

S/N	Resolutions	For	Against
	Ordinary Business:		
	1. To lay before the Company in general meeting, the Audited Financial Statements for the year ended December 31, 2024, together with the Reports of the Auditors, the Directors and the Statutory Audit Committee thereon.		
	2. To declare a dividend.		
	3. To re-elect Dr. Olabanjo Obaleye, Dr. Armstrong Takang and Mr. Aminu Umar-Sadiq as Directors.		
	4. To approve the appointment of Ms. Bolaji Agbede, as Director.		
	5. To disclose the remuneration of managers.		
	6. To re-appoint PricewaterhouseCoopers (PwC) as External Auditors to the Company from the end of the Annual General Meeting until the end of the next Annual General Meeting.		
	7. To authorise the Directors to fix the remuneration of the Auditors.		
	8. To elect members of the Statutory Audit Committee.		

NOTES:

To be valid, this proxy form must be filled, signed and lodged (together with any power of attorney or other authority under which it is signed) at the office of the Company's Registrars, Meristem Registrars & Probate Services Limited, or sent via email to info@meristemregistrars.com, copying tsodipo@nmrc.com.ng not later than 48 hours before the time of holding the meeting.

Authorised Officer

Authorised Officer

ADMISSION CARD

11th Annual General Meeting of Nigeria Mortgage Refinance Company PLC (NMRC) will hold at the Abora Hall, Eko Hotel and Suites, Adetokunbo Ademola Street, Victoria Island, Lagos on Wednesday, 30th July 2025 at 10:00a.m.

Name of Shareholder (in BLOCK LETTERS)

