NMRC

Nigeria Mortgage Refinance Company

(Licensed by the Central Bank of Nigeria)

Annual Report & Accounts 2025

Opening doors; Building futures

OUR VISION

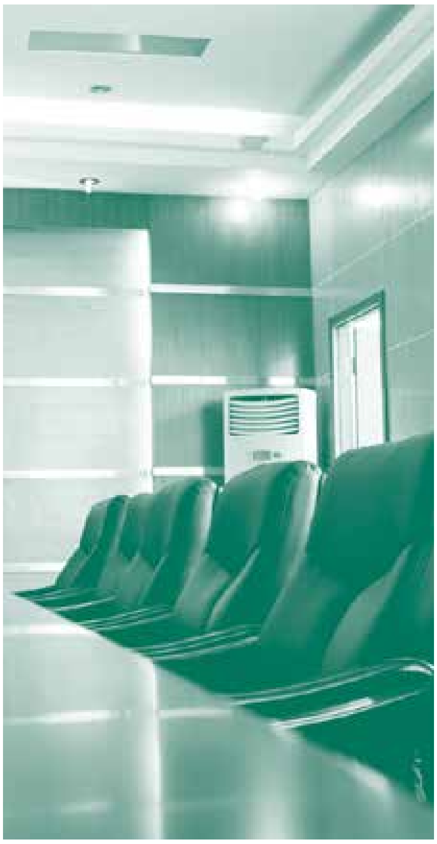
To be the dominant housing partner in Nigeria.

OUR MISSION

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

INSIDE THIS REPORT

CORPORATE DISCLOSURES AND REPORTS



FINANCIAL STATEMENTS

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NMRC

Nigeria Mortgage Refinance Company

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We support banks to make **Homeownership Possible**

www.nmrc.com.ng

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

Corporate Disclosures and Reports

Corporate Information

Directors

Olabanjo Obaleye, DBA*
Chairman

Yemi Adeola**
Non-Executive Director

Kehinde Ogundimu
Managing Director/Chief Executive Officer

Funke Aboyade, SAN, FCIArb
Non-Executive Director (Independent)

Markie Idowu, PhD
Non-Executive Director (Independent)

Aminu Umar- Sadiq
Non-Executive Director

Armstrong Takang, PhD
Non-Executive Director

Bolaji Agbede
Non-Executive Director

Olufemi Johnson, DBA***
Non-Executive Director

Adeyemi Odubiyi ****
Non-Executive Director

Arinze Adigwe *****
Non-Executive Director

* *Appointed as Chairman, effective 2 December 2025*
** *Served as Chairman until tenure expiration on 1 December 2025.*
*** *Served as Non-Executive Director until tenure expiration on 1 December 2025.*
**** *Appointed to the Board on February 16, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*
***** *Appointed to the Board on April 30, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*

Corporate Office
17, Sanusi Fafunwa Street
Victoria Island, Lagos.

Registration Number
RC1123944

Contact Information
Website: www.nmrc.com.ng
Email: info@nmrc.com.ng
Tel: +234 91-3-957-6829-30, +234 70-0-134-6672

Company Secretary
Temitope Sodipo
17, Sanusi Fafunwa Street
Victoria Island, Lagos.

Principal Bankers
Access Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank
Sterling Bank Plc

Tax Identification Number
17836949-0001

Auditor
PricewaterhouseCoopers
FF Millenium Towers
Plot 13/14 Ligali Ayorinde
Street, Victoria Island, Lagos.
Tel +234 1 271700
www.pwc.com/ng

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **12th Annual General Meeting** ("AGM") of members of Nigeria Mortgage Refinance Company PLC (the **"Company"**) will hold virtually on Tuesday, 4th August 2026 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, 2025, 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. Ms. Funke Aboyade, SAN
   b. Dr. Markie Idowu
4. To approve the appointment of Mr. Adeyemi Odubiyi as Director
5. To approve the appointment of Mr. Arinze Adigwe as Director
6. To disclose the remuneration of managers
7. 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
8. To authorise the Directors to fix the remuneration of the Auditors
9. To appoint members of the Audit Committee

SPECIAL BUSINESS

Directors' Compensation

10. To consider and if thought fit, pass the underlisted as an ordinary resolution of the Company:

"That the Directors' Compensation package presented by the Board be and is hereby approved".

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 Wednesday, 5th August 2026 or soon thereafter, at the rate of 80 kobo for every ordinary share of ₦1.00, to Shareholders whose names appear in the Register of Members at the close of business on Tuesday, 28th July 2026. 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 Wednesday, 29th July 2026 to Monday, 3rd August, 2026 (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/edmms/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

Ms. Funke Aboyade, SAN and, Dr. Markie Idowu 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 2025 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 9th day of July 2026

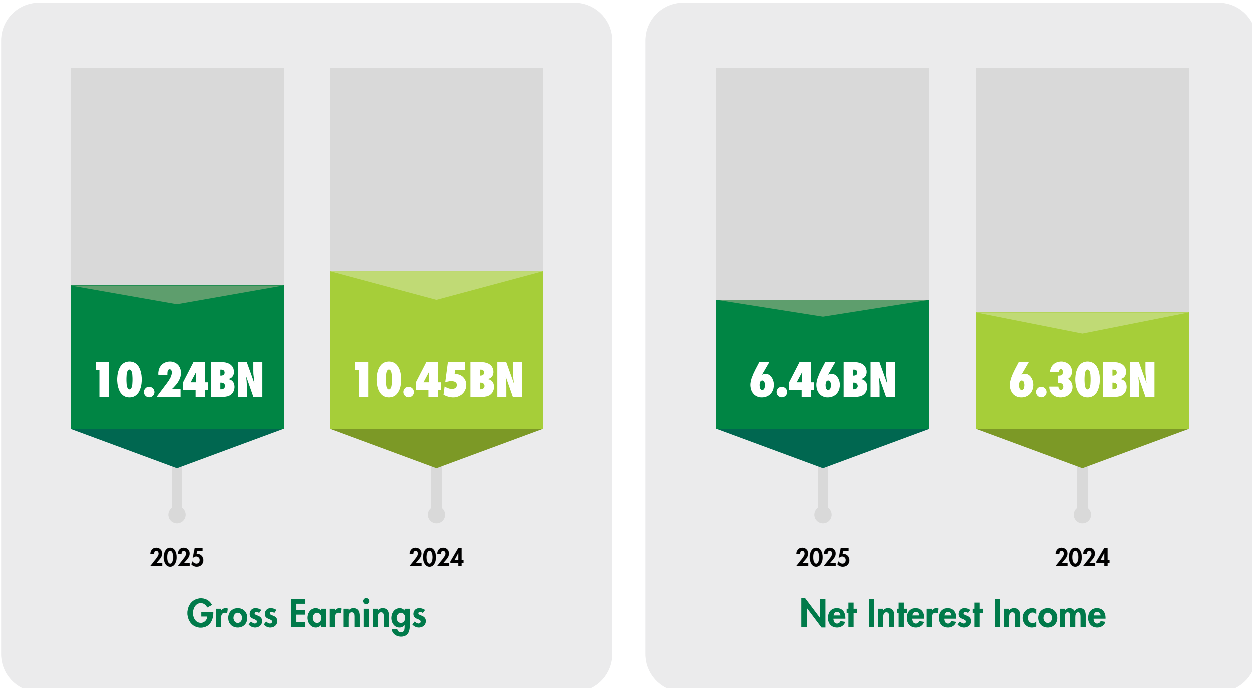
BY ORDER OF THE BOARD

Sodipo

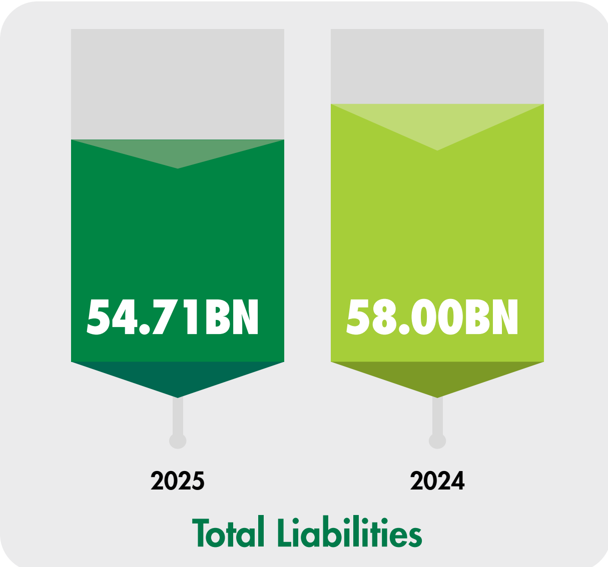
Temitope Sodipo
Company Secretary
FRC/2024/PRO/NBA/002/881870

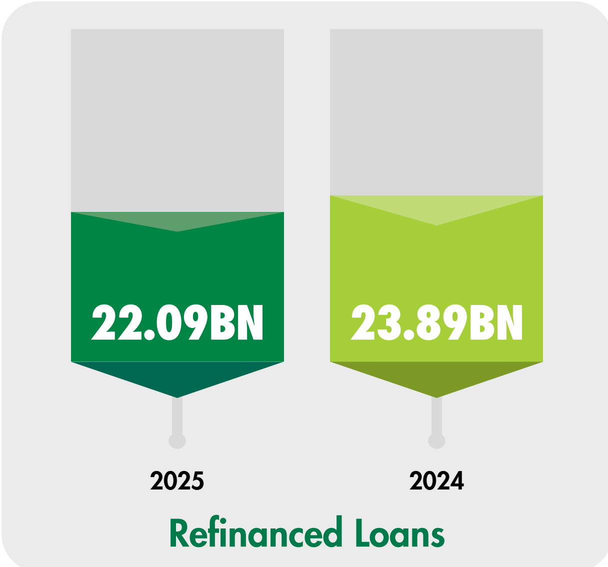
Results at a Glance

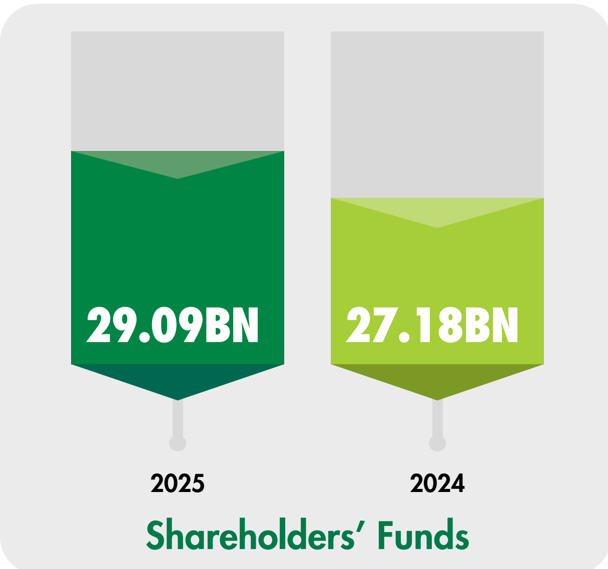
In thousands of Naira	31 December 2025	31 December 2024
Gross Earnings	10,246,841	10,450,347
Net Interest Income	6,462,229	6,309,283
Profit Before Tax	3,489,369	3,772,361
Total Liabilities	54,716,414	58,006,243
Refinanced Loans	22,096,221	23,892,428
Shareholders' Funds	29,094,803	27,187,556
Total Assets	83,811,217	85,193,799

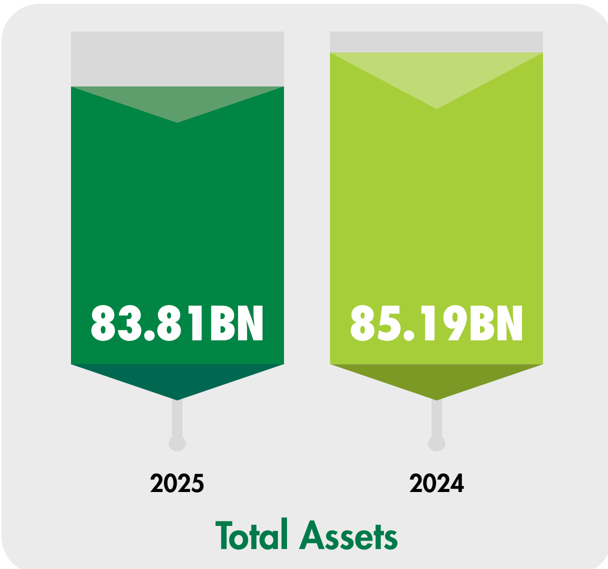



3.48BN
3.77BN
2025
2024
Profit Before Tax


54.71BN
58.00BN
2025
2024
Total Liabilities


22.09BN
23.89BN
2025
2024
Refinanced Loans


29.09BN
27.18BN
2025
2024
Shareholders' Funds


83.81BN
85.19BN
2025
2024
Total Assets

Affordable Homeownerhip

begins with the right systems and long-term financing

Chairman's Statement

Dr. Olabanjo Obaleye
Chairman

Dear Esteemed Shareholders,
It is with a profound sense of responsibility that I welcome you for the first time as Chairman, to this Annual General Meeting of Nigeria Mortgage Refinance Company PLC (NMRC) and present the Board's report on the Company's performance and activities for the financial year ended 31 December 2025.

MACROECONOMIC AND OPERATING ENVIRONMENT

The global economy demonstrated resilience in 2025 despite persistent geopolitical tensions and policy uncertainties.

Domestically, the economy continued to adjust to structural reforms aimed at strengthening fiscal sustainability, improving market confidence, and enhancing long-term competitiveness.

However, elevated interest rates, affordability constraints, and broader uncertainties continued to impact funding conditions and investment activity across the housing value chain. The housing finance sector remains critical to addressing Nigeria's housing deficit and supporting long-term economic growth.

FINANCIAL PERFORMANCE

Against this backdrop, NMRC delivered a modest performance in 2025, reflecting prudent management, disciplined execution, and a continued focus on long-term sustainability.

While profitability moderated during the year, the Company remained financially sound, maintaining adequate capital and liquidity positions and continuing to operate within applicable regulatory requirements and prudential standards.

STRATEGIC FOCUS AND OPERATIONAL DEVELOPMENTS

NMRC remained committed to its mandate of supporting the development of Nigeria's housing sector through sustainable housing finance and market development initiatives.

During the year, the Company continued to play an active role in key industry initiatives aimed at strengthening housing market information, improving sector coordination, and supporting policy development. These efforts reinforce our broader commitment to contributing to a more efficient, transparent, and inclusive housing finance ecosystem.

The Company also sustained its investment in human capital development aimed at improving vocational skills and expanding employment opportunities across the housing value chain.

RISK MANAGEMENT AND GOVERNANCE

The Board maintained robust oversight of the Company's risk management framework, with particular emphasis on credit risk, liquidity risk, and capital adequacy.

We continued to operate in full compliance with applicable regulatory requirements and prudential guidelines issued by the Central Bank of Nigeria and other relevant authorities.

Corporate governance remained a key priority at NMRC, underpinned by a commitment to transparency, accountability, and ethical conduct across the organisation.

The Board also experienced important transitions during the year following the completion of the tenure of two distinguished pioneer directors, Mr. Yemi Adeola *(former Chairman)* and Dr. Olufemi Johnson *(Non-Executive Director)*. On behalf of the Board and all stakeholders, I express our sincere appreciation for their years of dedicated service, invaluable counsel, and significant contributions to the growth and development of NMRC.

OUTLOOK FOR 2026

While global and domestic uncertainties persist, emerging economic indicators suggest a potentially more favourable outlook in the operating environment in the year ahead, driven by ongoing reforms, moderating inflation, and prospects of lower interest rates. These developments have the potential to improve housing affordability, stimulate investment activity, and support broader growth within the housing finance sector.

Nonetheless, the sector continues to face structural impediments that will require coordinated and sustained efforts to address.

"NMRC remained committed to its mandate of supporting the development of Nigeria's housing sector through sustainable housing finance and market development initiatives."

Accordingly, the Board remains committed to a disciplined and prudent approach to growth, with focus in 2026 on preserving asset quality, strengthening capital and liquidity buffers, driving product innovation, enhancing efficiency, and deepening strategic partnerships across the housing ecosystem. The Company will also continue to support initiatives that expand access to sustainable housing finance for Nigerians.

These priorities are expected to reinforce the long-term sustainability and resilience of the institution while positioning it to capitalise on emerging opportunities in the sector.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our sincere appreciation to our shareholders for their continued confidence in the Company. I also acknowledge the Central Bank of Nigeria, the Securities and Exchange Commission, the Corporate Affairs Commission, and other stakeholders for their continued guidance and collaboration.

I extend appreciation to our Management and Staff, whose commitment and professionalism have been instrumental in navigating a challenging operating environment.

We remain committed to fulfilling our mandate in a prudent and sustainable manner.

Thank you.

CEO's Statement

> "We stand ready to take advantage of emerging growth opportunities by injecting liquidity into the Nigerian housing market."

Kehinde Ogundimu
Chief Executive Officer

It is with great pleasure that I welcome our esteemed shareholders, customers and regulators to this year's Annual General Meeting.

A LOOK BACK AT 2025

The global economy grew faster than expected in 2025, as tariff-related headwinds were outweighed by the significant momentum generated by massive investments in Artificial Intelligence, trade growth, and support provided by the ever-resilient U.S. consumers. Uncertainty shrouded the global geopolitical environment. The war in Ukraine entered its fifth year, and conflicts in the Middle East and elsewhere continued to have significant human consequences.

The Nigerian economy remained resilient in 2025, as it continued to navigate through a series of important reforms targeted at restoring investor confidence and improving fiscal stability. According to the National Bureau of Statistics (NBS), Gross Domestic Product (GDP) grew by 3.87% in 2025, better than the 3.38% recorded in 2024. On a quarterly basis, GDP grew by 3.13% in Q1, 4.23% in Q2, 3.98% in Q3 and 4.07% in Q4 2025. The growth performance was driven largely by the sustained growth of the non-oil sector and ongoing fiscal reforms.

The NBS rebased the country's GDP in July 2025, changing the base year from 2010 to 2019 to better reflect the current economic structure, including the digital, creative industry, and informal sectors. As a result, Nigeria's nominal GDP rose to US$243.3 billion (₦372.8 trillion), representing a 34.40% increase from the earlier estimate of about US$188 billion.

In 2025, the Consumer Price Index (CPI), which measures inflation, showed a downward trend. Nigeria's inflationary trajectory improved markedly in the year under review, reflecting the combined effects of tighter monetary policy, exchange rate stability, easing energy costs, favourable base effects, and better than expected food supply conditions.

2025 FINANCIAL PERFORMANCE REVIEW

Given the unusually high-interest rate environment in the year under review, the Company took a proactive, non-distress-driven strategic decision to prudently manage liabilities and repayments by contracting the balance sheet, reflecting balance sheet discipline in a high-interest rate environment.

Net Interest Income for the year was ₦6.462 billion, a marginal increase of 2.45% over 2024. Profit before Tax was ₦3.489 billion, a decrease of 7.5% from 2024.

MARKET DEVELOPMENT

The Company played a significant role in the National Housing Data Project championed by the Federal Ministry of Housing and Urban Development. As Co-Chairman of the Steering Committee and Chairman of the Technical Committee, NMRC's representatives provided strategic guidance, support, and effective coordination across several institutions including, the Central Bank of Nigeria, National Population Commission, National Bureau of Statistics, etc. This culminated in the successful development of a new national housing deficit estimate, the adoption of a standardized methodology consistent with World Bank benchmarks, and the establishment of the National Housing Market Information Portal.

Our annual collaboration with the Industrial Training Fund (ITF) to empower women and unemployed youth with technical skills in interior decoration, masonry, plumbing, carpentry, tiling, and electrical works continued during the year. The exercise marked the tenth cohort of trainees under NMRC's annual skills acquisition program. The vocational and entrepreneurship training is designed to achieve the dual purpose of enhancing the livelihoods of the youth while addressing the skills gap in the housing construction industry in Nigeria.

BOARD CHANGES

At the tail end of the year, the tenure of two of our pioneer directors ended. Mr. Yemi Adeola was Chairman of the Company and Dr. Olufemi Johnson was the Chairman of the Finance and General-Purpose Committee. Over the last twelve years, they made significant, extensive, and lasting contributions to the growth of our Company during their tenure as Non-Executive Directors. I would like to thank them warmly for their consistent counsel and guidance.

LOOKING FORWARD

While it is difficult to predict the broader economic effects of the U.S., Israel and Iran war, we are optimistic about a moderation of oil prices in the near future and a more stable global economic environment. Nigeria's economy is expected to grow by approximately 4–5% in 2026, supported by ongoing economic reforms, improved foreign exchange stability, and stronger fiscal performance.

Inflation has moderated significantly from its 2024–2025 peaks, creating room for monetary easing. The Central Bank of Nigeria began an easing cycle in February 2026, reducing the Monetary Policy Rate to 26.5%, with analysts expecting further reductions if inflation continues to decline. Potential implications include reduced mortgage lending rates, increased demand for home loans, and improved viability of residential development projects.

The sector is expected to benefit from a more stable macroeconomic environment and lower interest rates; however, deep structural constraints—especially affordability, mortgage access, and land titling—will continue to limit growth. NMRC will provide innovative financing solutions for low- and middle-income households, who are likely to be the primary beneficiaries of the improving environment.

CONCLUSION

Overall, we are confident and optimistic about the future of housing finance in Nigeria, and we remain focused on disciplined execution and prudent risk management. We stand ready to take advantage of emerging growth opportunities by injecting liquidity into the Nigerian housing market.

I would like to express my deep gratitude and appreciation to all our stakeholders for their continued trust and partnership.

The Board

Olabanjo Obaleye, DBA, FCA, HCIB, MIOD
Chairman

Dr. Obaleye is an accomplished financial services executive and business leader with extensive experience spanning banking, consulting, and diversified investments. He currently serves as Group Executive Director of Adkan Group (a civil engineering, banking and manufacturing conglomerate); as well as President of Angel Partners Limited, (a consulting, investment advisory and real estate finance services firm).

Dr. Obaleye has had an illustrious banking career encompassing roles at Afribank Nigeria Limited, Midas Bank, Société Bancaire, and most notably Infinity Trust Mortgage Bank Plc, where he served as the MD/CEO from 2004 to 2021, and where his transformative leadership drove significant growth and institutional stability. Following his retirement, and in compliance with CBN tenure regulations, he was reappointed to the Board as a Non-Executive Director in 2025, bringing strategic oversight and continuity of vision. He currently serves as the Chairman of Nigeria Mortgage Refinance Company Plc (NMRC), is a member of the Mentoring Committee of the Chartered Institute of Bankers of Nigeria (CIBN) and sits on the boards of several other companies. Dr. Obaleye holds a Doctor of Business Administration (DBA) from Walden University, an MBA (Financial Management) from University of Abuja, and a Bachelor's degree in Accounting from Obafemi Awolowo University.

He is a Fellow of the Institute of Chartered Accountants of Nigeria, an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, an Associate of the Chartered Institute of Taxation of Nigeria, and a Member of the Institute of Directors Nigeria. Dr. Obaleye is an alumnus of leading global executive institutions, including Wharton Business School, Lagos Business School, Strathmore University Business School, and Yale University.

He is an avid golfer and served as Captain of the IBB International Golf and Country Club (2023–2024).

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.

Funke 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. 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, a business consulting outfit, in 2003.

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 is an award winning banking, fintech and technology leader with over 37 years' experience spanning financial services, IT, digital transformation and corporate governance. She is currently the President/ Chairman of Council of the National Institute of Credit Administration and also serves on the Boards of Standard Chartered Bank Nigeria, Nigerian Mortgage Refinance Company Plc, and NSIA Insurance, bringing deep expertise in strategy, credit, risk, technology, and business growth.

She is the immediate past Group Managing Director/CEO of Xpress Payment Solutions.

Prior to this, she held multiple executive leadership roles at Polaris Bank, including Executive Director for Retail & Lagos Commercial Banking and Executive Director for Technology & Service Delivery Channels. Earlier in her career, Dr. Idowu held senior leadership positions at Fidelity Bank, Guaranty Trust Bank, and Continental Merchant Bank, where she built strong expertise across corporate banking, commercial banking, treasury, e-banking, global business development, oil & gas financing, and technology systems.

She holds a first-class degree in Computer Science from the University of Benin, an MSc in Software Engineering with Distinction from Aston University, UK, and an MBA from Lagos Business School. She has also completed executive programs at Harvard, MIT, INSEAD, LSE, and other leading institutions.

She is a Fellow of the Nigerian Computer Society, and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria. She is also a member of the Chartered Institute of Directors and the Chairman of Women in Technology in Nigeria Advisory Board.

Dr. Idowu has received numerous recognitions for leadership and impact. She is a recipient of the prestigious British Chevening Scholar Award.

She is recognised for her strong governance perspective, strategic judgement, and commitment to sustainable institutional growth, stakeholder value, and national development.

Adeyemi Odubiyi

Non-Executive Director

Mr. Odubiyi started his banking career with the Nigeria unit of Citibank as an Operations & Technology Generalist serving across all its Operations and Technology functions and was thereafter enrolled in its Management Associate program undertaking stints across all key units of the Bank. He left Citibank to join the turnaround team of the then Trust Bank of Africa as Head of Operations & Technology. Upon the consolidation of Trust Bank into Sterling Bank Plc, he served as pioneer Group Head, Trade Services. Mr. Odubiyi was mandated to build the Structured Finance Group and also assumed oversight for corporate strategy, serving as Chief Strategy Officer. He also served as the Executive Director, Corporate and Investment Banking at Sterling Bank Ltd.

Mr. Yemi Odubiyi holds a Bachelor's degree in Estate Management and a Master's in International Law from the University of Lagos. He has undertaken senior management/executive education programs in Risk Management, Finance, and General Management at leading international educational institutions including the London and Harvard Business Schools.

Arinze Adigwe, FCA, ACIT

Non-Executive Director

Arinze Adigwe is a highly accomplished finance professional with over 25 years of experience spanning commercial banking, mortgage, and insurance industries. Currently serving as Managing Director of Homebase Mortgage Bank Ltd, he has led the bank's strategic growth and market engagement, enterprise risk management, financial reporting, and regulatory compliance initiatives. Prior to this, Mr. Adigwe held senior roles, including Group Head of Financial Control & Risk Management, where he optimized strategic business development and financial operations of the bank, and managed regulatory relationships.

Before joining Homebase, Mr. Adigwe was the CFO and Deputy General Manager at Guardian Express Assurance Ltd, where he was instrumental in turning around the company, leading its recapitalization, and establishing it as a key player in bancassurance and retail insurance. His early career included roles at Guardian Express Bank Plc, where he contributed to product development, consumer banking, and credit division initiatives.

Mr. Adigwe holds a Bachelor's degree in Accountancy from the University of Ilorin, is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and, he is also an Associate of the Chartered Institute of Taxation of Nigeria (CITN). He has attended various executive management and professional courses, both locally and internationally, solidifying his leadership and strategic expertise across multiple sectors.

Throughout his career, Mr. Adigwe has consistently demonstrated excellence in corporate advisory, financial modeling, tax management, and business development, contributing to the growth and success of the organisations he has served.

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)/ Nigerian 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.

Directors' Report

for the Year Ended 31 December 2025

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 2025.

(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 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:

In thousands of Naira	**31 December 2025**	**31 December 2024**
Gross Earnings	**10,246,841**	**10,450,347**
Profit Before Income tax and minimum tax	3,489,369	3,772,361
Income Tax Expense	(34,894)	(37,920)
Minimum Tax	(51,259)	(52,252)
Profit After Taxation	**3,403,216**	**3,682,189**
Other Comprehensive Income for the year, net of income tax	**268,150**	**(412,750)**
Total Comprehensive Income for the year	**3,671,366**	**3,269,439**
Earnings Per Share (Basic and diluted) - kobo	**160 k**	**173 k**

(C) DIVIDEND

The Directors have recommended for approval the payment of a dividend of ₦1,700,355,541.60 (divided into 80 kobo per share on the 2,125,444,427 issued shares) for the financial year ended 31 December 2025. Similarly, for the financial year ended 31 December 2024, the shareholders approved a dividend payment of ₦1,764,118,874 (representing 83 kobo per share on the 2,125,444,427 issued shares).

(D) DIRECTORS AND THEIR INTERESTS

As of 31 December 2025, the Company's Board comprised the following directors:

DIRECTORS	DESIGNATION
Dr. Olabanjo Obaleye*	Chairman
Mr. Kehinde Ogundimu	Chief Executive Officer
Ms. Olufunke Aboyade, SAN	Independent Non-Executive Director
Dr. Markie Idowu	Independent Non-Executive Director
Mr. Aminu Umar-Sadiq	Non-Executive Director
Dr. Armstrong Takang	Non-Executive Director
Ms. Bolaji Agbede	Non-Executive Director

**Appointed as Chairman, effective 2 December 2025*

LEADERSHIP CHANGE

Retirement

During the year under review, the following Directors retired from the Board upon the completion of their respective tenures:

DIRECTORS	EFFECTIVE RETIREMENT DATE
Yemi Adeola**	1 December 2025
Olufemi Johnson, DBA***	1 December 2025

***Served as Chairman until tenure expiration.*

****Served as Non-Executive Director until tenure expiration.*

Appointment

DIRECTORS	APPOINTMENT DATE
Mr. Adeyemi Odubiyi****	16 February 2026
Mr. Arinze Adigwe*****	30 April 2026

*****Appointed by the Board on February 16, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*

*******Appointed by the Board on April 30, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*

(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:

	31 December 2025		31 December 2024	
Shareholders	**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 2025			
Range of Shares	**Number of Shareholders**	**% of Shareholders**	**Number of Holdings**	**% of Shareholdings**
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 2024			
Range	**Number of Shareholders**	**% of Shareholders**	**Number of Holdings**	**% of Shareholding**
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**

(H) NMRC'S RISK GOVERNANCE STRUCTURE

The Board is primarily and ultimately responsible for setting the overall strategic direction for NMRC.

In addition, the Board exercises oversight to ensure that Management has established and maintains robust risk management systems, controls and practices to identify, assess and effectively manage the risks arising from 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;

b) approving enterprise-wide standards for different types of risks including credit risk, market risk and operational risk;

c) 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;

d) 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;

e) reviewing the risk management framework periodically to determine its 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 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 Credit Committee, 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.

(I) PROPERTY AND EQUIPMENT

The information relating to property and equipment is given in Note 11 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.

(J) 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 tenth batch of NMRC's annual skills acquisition programme, designed to achieve the dual purpose of enhancing the livelihoods of youth and addressing the skills gap in the country's housing construction industry.

(K) HUMAN RESOURCES

As at December 2025, 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 2025 (December 2024: nil)

GENDER ANALYSIS OF EMPLOYEES

As at 31 December 2025, the Company's workforce comprised 22 employees. A breakdown by gender is presented below:

DECEMBER 2025

Description	Number	% of Total staff	% of Total new hire
Female (New Hire)	2	9.09	100
Male (New Hire)	0	0	0
Total (New Hires)	2	9.09	100
Females as at December 2025	10	40.91	
Males as at December 2025	12	59.09	
Total Staff	**22**	**100**	

Compared to the workforce as at 31 December 2024, as shown below:

December 2024

Description	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
Total Staff	22	N/A	N/A
Females as at December 2024	8	36.36	
Males as at December 2024	14	63.64	
	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,

Sodipo

Temitope Sodipo
Company Secretary
FRC/2024/PRO/NBA/002/881870

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 recognises 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.

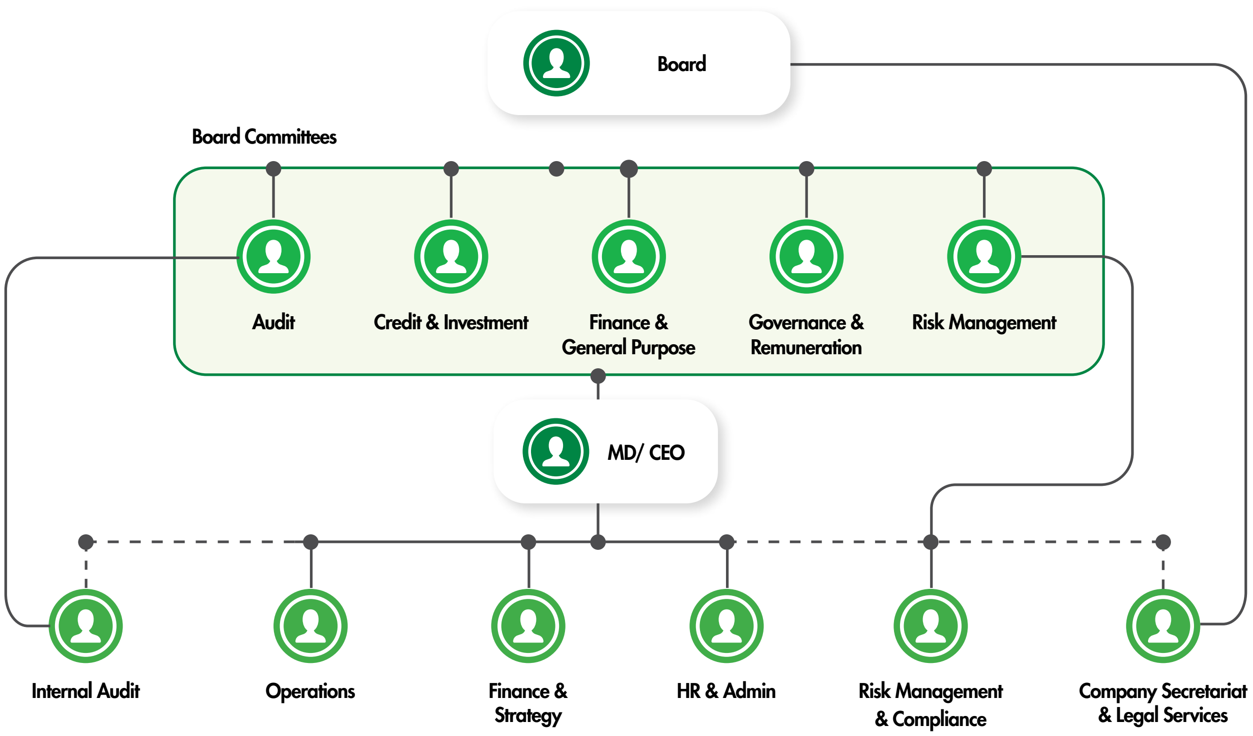
COMPLIANCE WITH INTERNATIONAL BEST PRACTICES IN CORPORATE GOVERNANCE

NMRC ensures that sound corporate governance practices are embedded in all areas of its operations. In this regard, the Company emphasises 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 2013.

NMRC 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 31 December 2025 was as follows:

ORGANISATIONAL 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 31 December 2025, the affairs of the Company were superintended by its Board, comprised of two (2) Independent Non-Executive Directors, four (4) Non-Executive Directors, and one (1) Executive Director.

As of 31 December 2025, the Company's Board comprised the following directors:

DIRECTORS	DESIGNATION
Olabanjo Obaleye, DBA*	Chairman
Kehinde Ogundimu	Managing Director/Chief Executive Officer
Funke Aboyade, SAN, FCIArb	Non-Executive Director (Independent)
Markie Idowu, PhD	Non-Executive Director (Independent)
Aminu Umar- Sadiq	Non-Executive Director
Armstrong Takang, PhD	Non-Executive Director
Bolaji Agbede	Non-Executive Director

Appointed as Chairman, effective 2 December 2025

LEADERSHIP CHANGE

Retirement

During the year under review, the following Directors retired from the Board:

DIRECTORS	EFFECTIVE RETIREMENT DATE
Yemi Adeola**	1 December 2025
Olufemi Johnson, DBA***	1 December 2025

***Served as Chairman until tenure expiration.*
****Served as Non-Executive Director until tenure expiration.*

Appointment

DIRECTORS	APPOINTMENT DATE
Mr. Adeyemi Odubiyi****	16 February 2026
Mr. Arinze Adigwe*****	30 April 2026

*****Appointed by the Board on February 16, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*
*******Appointed by the Board on April 30, 2026 to fill a casual vacancy, subject to ratification by Shareholders at the AGM*

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 and 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/CEO

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, Ms. Funke Aboyade, SAN and Dr. Markie Idowu will retire at the 12th Annual General Meeting and both being eligible, offer themselves for re-election.

Profile of Ms. Funke Aboyade, SAN

Ms. Aboyade is an experienced legal professional with over three decades of legal practice. After completing her LL.B from the University of Ife and her B.L. from the Nigerian Law School, she furthered her education with an LL.M from the University of Cambridge. She has a solid background in various legal areas, including arbitration, litigation, and corporate law.

Her career journey has seen her handling diverse legal matters, ranging from complex corporate disputes to arbitration cases. Her expertise attests to her appointment as a Senior Advocate of Nigeria in 2013. She is also a Notary Public and a Fellow of the Chartered Institute of Arbitrators UK (Nigeria Branch).

Profile of Dr. Markie Idowu

Dr. Idowu is an award winning banking, fintech and technology leader with over 37 years' experience spanning financial services, IT, digital transformation and corporate governance. She is currently the President/Chairman of Council of the National Institute of Credit Administration and also serves on the Boards of Standard Chartered Bank

Nigeria, Nigerian Mortgage Refinance Company Plc, and NSIA Insurance, bringing deep expertise in strategy, credit, risk, technology, and business growth.

She is the immediate past Group Managing Director/CEO of Xpress Payment Solutions, a leading fintech company. Prior to this, she held several executive leadership roles at Polaris Bank, including Executive Director, Retail and Lagos Commercial Banking, and Executive Director, Technology and Service Delivery Channels. Earlier in her career, Dr. Idowu held senior leadership positions at Fidelity Bank, Guaranty Trust Bank and Continental Merchant Bank, where she built strong expertise in corporate banking, commercial banking, treasury, e-banking, global business development, oil & gas financing, and technology systems.

A life-long learner, Dr. Idowu holds a B.Sc. in Computer Science from the University of Benin, an MSc in Software Engineering from Aston University, UK, an MBA from Lagos Business School and a PhD in Credit Management. A recognised thought leader, she has completed executive programs at Harvard, MIT, INSEAD, LSE, and other leading institutions.

APPOINTMENTS

Following the successful retirement of Mr. Yemi Adeola and Dr. Olufemi Johnson from the Board of NMRC, the Board appointed Mr. Adeyemi Odubiyi and Mr. Arinze Adigwe to fill the casual vacancies on the Board, subject to the approval of the Central Bank of Nigeria (CBN) and the Shareholders. The regulatory approval of Mr. Odubiyi and Mr. Adigwe were granted on February 16, 2026 and April 30, 2026, respectively.

Mr. Adeyemi Odubiyi is therefore presented to the shareholders for appointment to the Board. Below is his profile:

Profile of Mr. Adeyemi Odubiyi

Mr. Odubiyi is the Group Chief Executive Officer of Sterling Financial Holdings PLC. He started his banking career with the Nigeria unit of Citibank as an Operations & Technology Generalist serving across all its Operations and Technology functions and was thereafter enrolled in its Management Associate program undertaking stints across all key units of the Bank. He left Citibank to join the turnaround team of the then Trust Bank of Africa as Head of Operations & Technology. Upon the consolidation of Trust Bank into Sterling Bank Plc, Mr. Odubiyi served as pioneer Group Head, Trade Services. He was mandated to build the Structured Finance Group and also assumed oversight for corporate strategy serving as Chief Strategy Officer. He served as the Executive Director, Corporate and Investment Banking at Sterling Bank Ltd.

He holds a Bachelor's degree in Estate Management and a Master's in International Law from the University of Lagos. He has undertaken senior management/executive education programs in Risk Management, Finance, and General Management at leading international educational institutions including the London and Harvard Business Schools.

Also, Mr. Arinze Adigwe is therefore presented to the shareholders for appointment to the Board. Below is his profile:

Profile of Mr. Arinze Adigwe

Mr. Adigwe is the Managing Director, Homebase Mortgage Bank Ltd. He is a highly accomplished finance professional with over 25 years of experience spanning commercial banking, mortgage, and insurance industries. Currently serving as Managing Director of Homebase Mortgage Bank Ltd, he has led the bank's strategic growth and market engagement, enterprise risk management, financial reporting, and regulatory compliance initiatives. Prior to this, Mr. Adigwe held senior roles, including Group Head of Financial Control & Risk Management, where he optimized strategic business development and financial operations of the bank and managed regulatory relationships.

Mr. Adigwe holds a Bachelor's degree in Accountancy from the University of Ilorin and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an associate of the Chartered Institute of Taxation of Nigeria (CITN). He has attended various executive management and professional courses, both locally and internationally, solidifying his leadership and strategic expertise across multiple sectors.

The profile of all the Directors including the Directors for election/re-election are in the Annual Report and 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 2025, being their seventh 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.

A key recommendation arising from the Report is that Management should re-engage the CBN to revalidate its position regarding the restriction of the number of Independent Non-Executive Directors to two, in light of the one-third requirement introduced under Section 275(1) of the Companies and Allied Matters Act 2020 (CAMA), as amended by the Business Facilitation (Miscellaneous Provisions) Act 2023.

The Report further recommends that the Board should establish and maintain a formal annual declaration process requiring all Directors to disclose any interests (where applicable) in service providers and other companies, with such disclosures properly documented and updated on an annual basis.

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 2025 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 (whether held physically or 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. The Committee was comprised of three (3) shareholder representatives and two (2) Non-Executive Directors as follows:

1. Mr. Ayo Olowookere *(Chairman)**
2. Dr. Olumide Adedeji*
3. Mrs. Ruby Okoro#
4. Dr. Olufemi Johnson**
5. Dr. Olabanjo Obaleye***

**Shareholder representative*

***Non-Executive Director. However, his tenure on the Board expired on 1 December 2025. Hence, he is no longer a member of the Committee. He was replaced by Mr. Arinze Adigwe on the Committee*

 # Mrs. Ruby Okoro was replaced by Mrs. Kofoworola Owode at the Company's AGM held on July 30, 2025

****Non-Executive Director on the Committee until 1 December 2025. Currently the Board Chairman and has been replaced by Dr. Markie Idowu on the Committee.*

The responsibilities of the Committee include:

a. Ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
b. Reviewing the scope and planning of audit requirements;
c. Reviewing findings of the Management in conjunction with the external auditors;
d. Reviewing the effectiveness of the Company's system of accounting and internal control;
e. Making recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company; and
f. 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 who 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:

1. Audit Committee
2. Credit and Investment Committee
3. Finance and General-Purpose Committee
4. Governance and Remuneration Committee
5. Risk Management Committee

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

BOARD AUDIT COMMITTEE

For the 2025 meetings, the members of the Board Audit Committee were:

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

**Retired from the Board on December 1, 2025*

***Reassigned from the Committee on September 1, 2025*

The committee is tasked with the following responsibilities:

a. Reviewing the financial reporting process, the internal control system, management of financial risks, audit process, and the process for monitoring the Company's compliance with statutory and regulatory guidelines;
b. Reviewing the scope and planning of audit requirements;
c. Reviewing the effectiveness of the Company's accounting systems, and compliance with reporting standards and internal control;

d. 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 AND INVESTMENT COMMITTEE

For the 2025 meetings, the members of the Board Credit and Investment Committee were:

SN	COMMITTEE MEMBERS
1.	Dr. Markie Idowu *(Chairperson)*
2.	Mr. Aminu Umar-Sadiq*
3.	Dr. Armstrong Takang
4.	Dr. Olabanjo Obaleye**

**Temporarily excluded from the Committee with effect from September 1, 2025.*

***Assigned to the Committee on September 1, 2025.*

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

For the 2025 meetings, the members of the Finance and General-Purpose Committee were:

SN	COMMITTEE MEMBERS
1.	Dr. Olufemi Johnson *(Chairman)**
2.	Ms. Funke Aboyade, SAN
3.	Ms. Bolaji Agbede
4.	Dr. Olabanjo Obaleye**

**Retired from the Board on December 1, 2025*

***Ceased to be a member of the Committee on December 1, 2025 due to appointment as Board Chairman*

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 would 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;
g. Reviewing and recommending for Board approval, the Company's dividend policy, including amount, nature and timing.
h. Any other duty, as may be assigned by the Board.

BOARD GOVERNANCE AND REMUNERATION COMMITTEE

For the 2025 meetings, the members of the Governance and Remuneration Committee during the period under review were:

SN	COMMITTEE MEMBERS
1.	Ms. Funke Aboyade, SAN *(Chairperson)*
2.	Dr. Markie Idowu
3.	Dr. Olufemi Johnson*

**Retired from the Board on December 1, 2025*

This Committee is tasked with the following responsibilities:

a. 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;

b. Periodically reviewing the orientation processes for newly appointed members of the Board. The Committee also ensures Directors' continuing education programs;

c. Reviewing all legislative, regulatory and corporate organisational practices that might affect NMRC's operations, and making recommendations to the Board;

d. Making recommendations to the Board on corporate governance guidelines for NMRC.

e. Considering reports on any views expressed by shareholders and other interested parties in relation to corporate governance;

f. 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;

g. 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;

h. Reviewing Human Resource Management policies that may impact employee compensation and welfare;

i. Reviewing the design of all share incentive plans for approval by the Board and the shareholders;

j. Approving the design of, and determining targets for any performance related pay schemes for the Company;

k. Overseeing any major changes in employee benefit structure throughout the Company; and

l. 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:

SN	COMMITTEE MEMBERS
1.	Ms. Bolaji Agbede (Chairperson)
2.	Mr. Aminu Umar-Sadiq*
3.	Dr. Olabanjo Obaleye**
4.	Ms. Funke Aboyade, SAN**
5.	Mr. Kehinde Ogundimu

**Temporarily excluded from the Committee with effect from September 1, 2025.*

*** Assigned to the Committee on December 1, 2025*

The responsibilities of the Committee include:

a. Reviewing and recommending for Board approval, the Company's Enterprise Risk Management framework;

b. Reviewing and making recommendations for the approval of the Board, the NMRC's risk philosophy, risk appetite, and overall risk management principles;

c. Reviewing and recommending for Board approval, policies and procedures for identifying, measuring and controlling risk;

d. Reviewing risk reports on a regular and timely basis;

e. Monitoring the Company's adherence to the requirements of the regulatory risk-based supervision and subsequent migration to Basel II compliance;

f. Recommending appropriate internal control systems/framework;

g. Conducting quarterly reviews of the Company's risk management, risk profile, and risk mitigation policies;

h. Reviewing and recommending solutions to the Company's identified inherent and residual risks; and

i. 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 2025 showing the frequency of the meetings and attendance of members.

BOARD MEETINGS

S/N	Name of Director	Roles	25th March 2025	25th April 2025	23rd July 2025	1st Sept 2025	18th Nov 2025	27th Nov 2025
1	Mr. Yemi Adeola#	Chairman	✓	✓	✓	✓	✓	✓
2	Mr. Kehinde Ogundimu	MD	✓	✓	✓	✓	✓	✓
3	Ms. Funke Aboyade, SAN	Independent NED	✓	✓	✓	✓	✓	✓
4	Dr. Olabanjo Obaleye*	NED	✓	✓	✓	✓	✓	✓
5	Dr. Olufemi Johnson#	NED	✓	✓	✓	✓	✓	✓
6	Dr. Markie Idowu	Independent NED	✓	✓	✓	✓	✓	✓
7	Ms. Bolaji Agbede	NED	✓	✓	✓	☑	✓	☑
8	Dr. Armstrong Takang	NED	✓	✓	✓	☑	✓	☑
9	Mr. Aminu Umar-Sadiq	NED	☑	✓	☑	✓	✓	☑

LEGEND

✓ – Present
☑ – Absent with apology
 # - Tenure on the Board Expired on December 1, 2025
** - Appointed Chairman of the Board Effective December 1, 2025*

BOARD COMMITTEE MEETINGS

BOARD AUDIT COMMITTEE

S/N	Name of Director	Roles	17/03/2025	16/04/2025	16/07/2025	04/11/2025
1	Dr. Markie Idowu	Chairperson	✓	✓	✓	✓
2	Dr. Olufemi Johnson	Member	✓	✓	✓	✓
3	Dr. Armstrong Takang	Member	☑	✓	☑	✓
4	Dr. Olabanjo Obaleye*	Member	✓	✓	✓	**NM**

 # - NM - Not a member at the time of the meeting

** - Reassigned from the Committee on September 1, 2025*

BOARD CREDIT AND INVESTMENT COMMITTEE

S/N	Name of Director	Roles	17/03/2025	23/04/2025	21/07/2025	04/11/2025
1	Mr. Aminu Umar-Sadiq*	Chairman	✓	✓	☑	**NM**
2	Dr. Markie Idowu**	Member	✓	✓	✓	✓
3	Dr. Armstrong Takang	Member	☑	✓	✓	✓
4	Dr. Olabanjo Obaleye#	Member	**NM**	**NM**	**NM**	✓

NM - Not a member at the time of the meeting
** - Temporarily excluded from the Committee with effect from September 1, 2025.*
*** Appointed Chairperson of the Committee on September 1, 2025.*
 # Assigned to the Committee on September 1, 2025.

FINANCE AND GENERAL-PURPOSE COMMITTEE

S/N	Name of Director	Roles	18/03/2025	16/04/2025	21/07/2025	11/11/2025
1	Dr. Olufemi Johnson	Chairperson	✓	✓	✓	✓
2	Ms. Bolaji Agbede	Member	✓	☑	✓	✓
3	Ms. Funke Aboyade, SAN	Member	✓	✓	✓	✓
4	Dr. Olabanjo Obaleye	Member	✓	✓	✓	✓

GOVERNANCE AND REMUNERATION COMMITTEE

S/N	Name of Director	Roles	18/03/2025	17/04/2025	17/07/2025	11/11/2025	25/11/2025
1	Ms. Funke Aboyade, SAN	Chairperson	✓	✓	✓	✓	✓
2	Dr. Markie Idowu	Member	✓	✓	✓	✓	✓
3	Dr. Olufemi Johnson	Member	✓	✓	✓	✓	✓

RISK MANAGEMENT COMMITTEE

S/N	Name of Director	Roles	07/03/2025	17/04/2025	22/07/2025	07/11/2025
1	Ms. Bolaji Agbede	Chairperson	✓	✓	✓	✓
2	Mr. Aminu Umar-Sadiq*	Member	✓	☑	☑	**NM**
3	Ms. Funke Aboyade, SAN**	Member	**NM**	**NM**	**NM**	✓
4	Dr. Olabanjo Obaleye	Member	☑	✓	✓	✓
5	Mr. Kehinde Ogundimu	Member	✓	✓	✓	✓

NM - Not a member at the time of the meeting
** - Temporarily excluded from the Committee with effect from September 1, 2025.*
*** - Assigned to the Committee on September 1, 2025.*

STATUTORY AUDIT COMMITTEE

S/N	Name of Director	Roles	17/03/2025	06/11/2025
1	Mr. Ayo Olowookere	Chairman*	✓	✓
2	Dr. Olufemi Johnson	Member ■	✓	✓
3	Dr. Olabanjo Obaleye	Member ■	✓	☑
4	Dr. Olumide Adedeji	Member*	✓	✓
5	Mrs. Kofoworola Owode[#]	Member*	**NM**	✓
6	Mrs. Ruby Okoro[$]	Member*	☑	**NM**

** - Shareholder Representative*
■ - Non-Executive Director
 # - Appointed on July 30, 2025
$ - Ceased to be a member of the committee on July 30, 2025
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 Nigeria Mortgage Refinance Company 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 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 on-boarding process. The Internal Audit Department 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 its 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 provides access to top-class healthcare facilities for staff and their immediate family members 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 the Group Personal Accident and the 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 employed in communicating 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 strategic objectives, and to ensure 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 last Directors' training during the period under review took place in South Africa and was coordinated by Board Advisory in Association with the University of Cape Town, Graduate School of Business in Cape Town. The training session covered topics relating to Board Commitment and Practice, Cybersecurity Governance, Market Outlook, Pension Funds Landscape and Strategic Transaction Advisory.

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, professional and club memberships, mobile phones with airtime 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:

No new policy was established within 2025. However, policies which required review or revalidation during the review period were deliberated upon by the relevant Board Committees and accordingly approved by the Board. Some of such policies include AML/CFT/CPF Policy, ICT Strategic and Governance Framework, Cybersecurity Strategy & Framework, and the Data Protection & Privacy Policy and Procedure Manual.

FRAUD AND FORGERIES REPORT

There was no incident of fraud or forgery during the year ended 31 December 2025. 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[1]:

S/N	Names	Type of Directorship	Tenure
1	Mr. Yemi Adeola	Chairman (Non-Executive Director)	12 years*
2	Mr. Kehinde Ogundimu	Chief Executive Officer / Managing Director	7 years, 1 month[2]
3	Ms. Bolaji Agbede	Non-Executive Director	1 year, 5 months
4	Dr. Olufemi Johnson	Non-Executive Director	12 years*
5	Dr. Olabanjo Obaleye	Non-Executive Director	5 years and 7 months
6	Dr. Armstrong Takang	Non-Executive Director	1 year, 8 months
7	Mr. Aminu Umar-Sadiq	Non-Executive Director	2 years, 9 months
8	Ms. Funke Aboyade, SAN	Independent Non-Executive Director	1 year, 8 months
9	Dr. Markie Idowu	Independent Non-Executive Director	1 year, 8 months

**Tenure expired on 1 December 2025*

THE COMPANY SECRETARY'S ROLE

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

The Company Secretary also facilitates effective communication among Board members and between the Board and Management. For Board and Committee meetings, the Company Secretary prepares and circulates the papers and documents required for informed and productive deliberations.

In addition, the Company Secretary oversees the induction of new Directors, coordinates training programmes for Non-Executive and Independent Directors, and serves as a channel through which shareholders can access corporate information about the Company.

The Company Secretary ensures compliance with 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 supports the Board in implementing the NMRC Code of Corporate Governance, organises Board meetings, and ensures that Board minutes accurately record deliberations and resolutions.

The Company Secretary is also responsible for ensuring compliance with applicable regulations and the Company's internal policies, including its Memorandum and Articles of Association.

The appointment and removal of the Company Secretary are governed by the Companies and Allied Matters Act 2020.

[1] The table is based on the month of the appointment of each director to 31st December 2025

[2] Calculated from the effective date of appointment as CEO.

Statement of Corporate Responsibility for the Financial Statements

For The Year Ended 31 December 2025

The Chief Executive Officer and Chief Financial Officer of Nigeria Mortgage Refinance Company PLC have reviewed the audited financial statements, and certify that based on our knowledge:

I. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

II. 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 2025.

III. Effective internal controls have been designed to ensure that material information relating to the Company and its Subsidiaries is made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

IV. The effectiveness of the Company's Internal controls has been evaluated within 90 days prior to December 31, 2025.

V. The Company's Internal Controls are effective as at December 31, 2025.

VI. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Company's Internal Control systems.

VII. There were no fraud events involving Senior Management or other employees who have a significant role in the Company's Internal control.

VIII. There were no significant changes in internal controls or in other factors that could significantly affect internal controls.

Kehinde Ogundimu
Chief Executive Officer
FRC/2015/PRO/00000011195
4 March 2026

Kanayo Mba
Chief Financial Officer
FRC/2019/PRO/00000019030
4 March 2026

CORPORATE SERVICES LIMITED

10th March 2026

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE AUDIT OF NIGERIA MORTGAGE REFINANCE COMPANY PLC FOR THE YEAR-ENDED 31ST DECEMBER 2025

DCSL Corporate Services Limited (DCSL) was engaged by Nigeria Mortgage Refinance Company Plc ("the Company") to conduct a performance evaluation of the Board of Directors and a Corporate Governance Compliance Audit for the year ended 31st December 2025. This assessment was carried out in accordance with the provisions of the **Central Bank of Nigeria (CBN) Code of Corporate Governance for Mortgage Refinance Companies in Nigeria, Nigerian Code of Corporate Governance 2018 (NCCG), the Companies and Allied Matters Act 2020 (CAMA), the Securities and Exchange Commission Corporate Governance Guidelines 2020 ("SCGG"), Securities and Exchange Commission Regulations** as well as global best practices.

The evaluation involved a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies, and other relevant materials provided to us. Additionally, we administered questionnaires to Directors to assess compliance with corporate governance principles and evaluate Board performance. The Company's corporate governance structure, policies, and processes were benchmarked against the above-mentioned regulations and best practices, focusing on the following seven (7) 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
7. Transparency and Disclosure

Our review indicates that the Board continues to uphold strong corporate governance practices, demonstrating adherence to the principles enshrined in the CBN Code of Corporate Governance for Mortgage Refinance Companies, NCCG, SCCG and globally recognized best practices.

We have highlighted the few areas for improvement and provided recommendations for implementation. Details of our key findings and recommendations are contained in our Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director - FRC/2013/NBA/00000002716

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Risk Management

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 on an Enterprise-wide basis. The Company is vibrant, creative, 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 technology driven. 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 are being done to manage these risks and optimise returns. Risks exposures/limits are planned and articulated through documented Risk Appetite Statement, a Target Market Plan, and underwriting standards for the various sectors of the economy. 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 risk controls are comprehensive and robust. Risk 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.

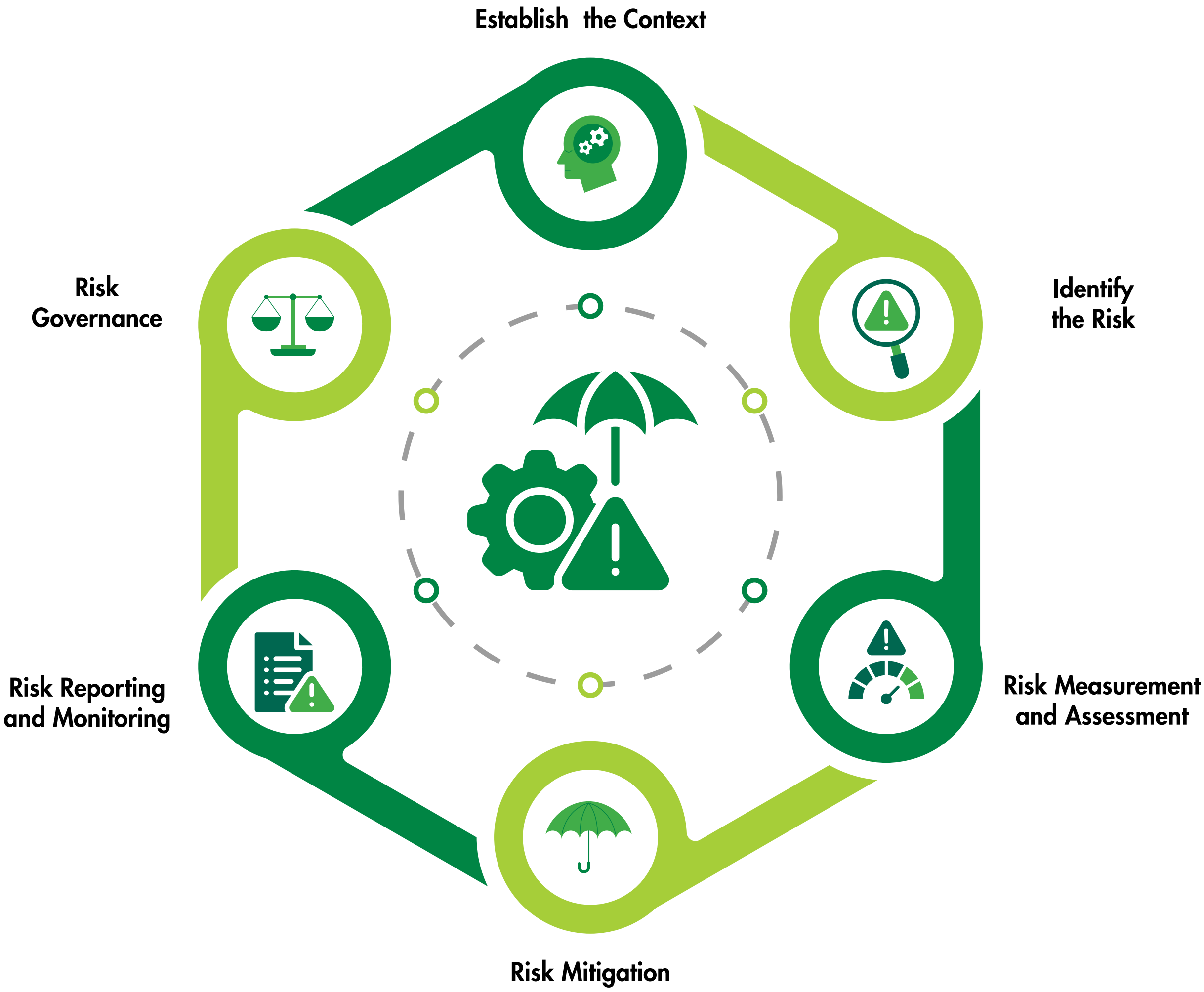
Risk management activities are driven using technology in order to achieve standardisation and enforcement of policies, processes, and controls. NMRC regularly reviews risk exposure limits and conducts risk control and self-assessment, key risk indicator monitoring, and overall risk assessments to identify 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 banks performances and the underlying refinanced portfolio performances. NMRC uses an internal bespoke risk scoring and monitoring models to execute 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 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 for the execution of the Company's business activities and risk controls. 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. also form top priority in NMRC's risk management practices. NMRC has also increasingly embedded Sustainability and ESG practices into its activities line with regulatory and international best practices. Market and Liquidity risk is also a major risk the Company manages, ensuring appropriate controls, reporting and planning are practised.

During the year, NMRC maintained its defined risk standard and culture while also ensuring capacity building of its staff and staff of partner Banks. The Company hosted the meeting of the Association of Chief Compliance Officers and Banks in Nigeria (ACCOBIN) in May and made a presentation to the Association. The annual Compliance AML/CFT/CPF training was done for staff. Risk awareness series were communicated to staff on a quarterly basis to ensure the Company maintains an ingrained risk management culture where every staff takes responsibility for risk.

NMRC complied with the relevant regulatory and reporting requirements related to AML/CFT/CPF. Data Protection Law implementation and audits were also conducted and reported to the relevant government agency.

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 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 and Compliance 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 Appetite of NMRC which are aligned with the Company's business strategy of responsible and sustainable finance, growth, 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.

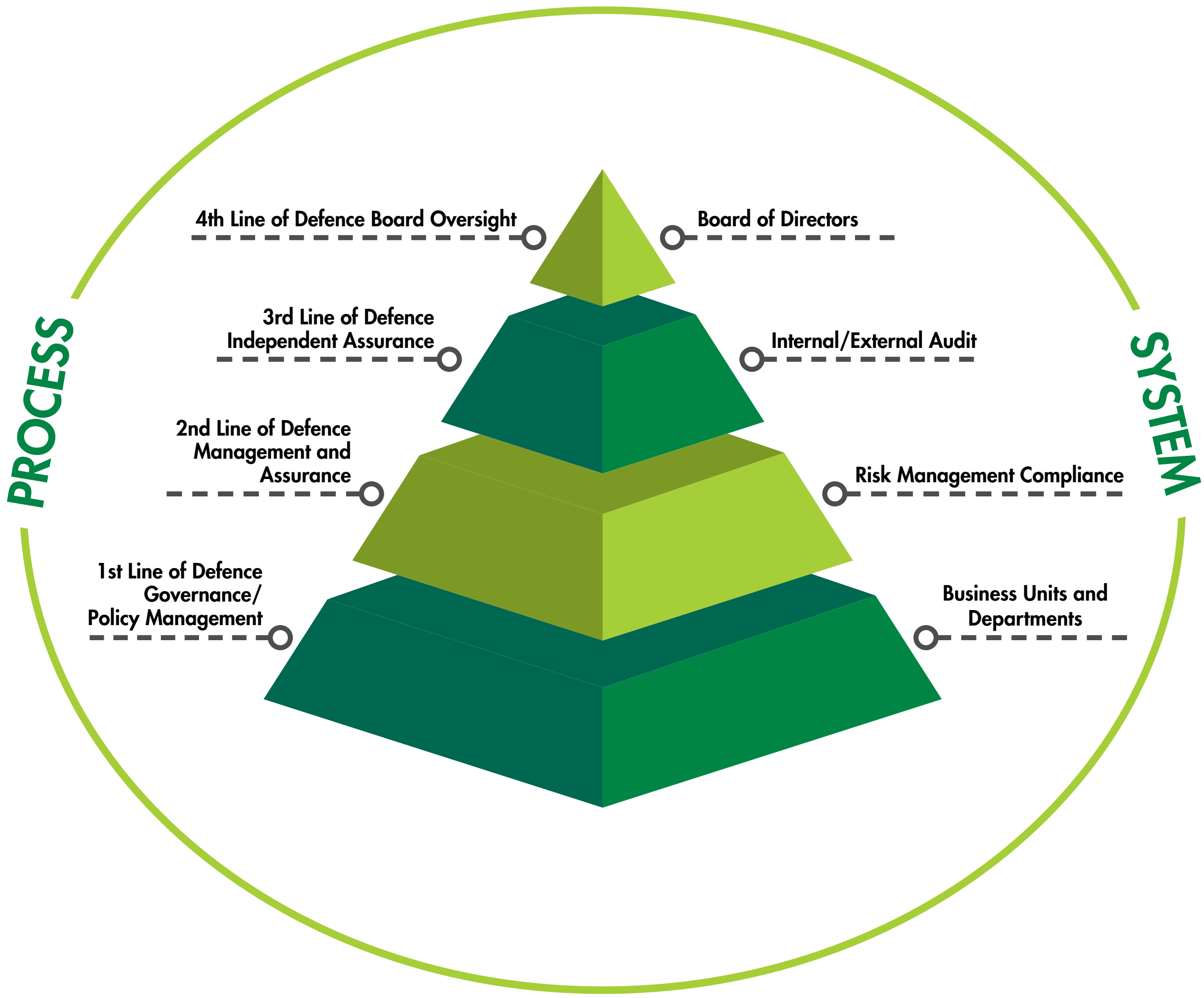
NMRC's risk management framework has been designed to drive the achievement of the Company's strategic objectives:

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. Risk Management Department is also responsible for ensuring that risk policies which 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 its risk 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 risk reports are presented and deliberated upon. The committee also approves policies and risk exposure/transaction limits.

NMRC'S RISK GOVERNANCE STRUCTURE

The Board is primarily and ultimately responsible for setting the overall strategic direction for NMRC. The Board provides oversight Committees' to ensure that Management has appropriate risk management system 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;

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.

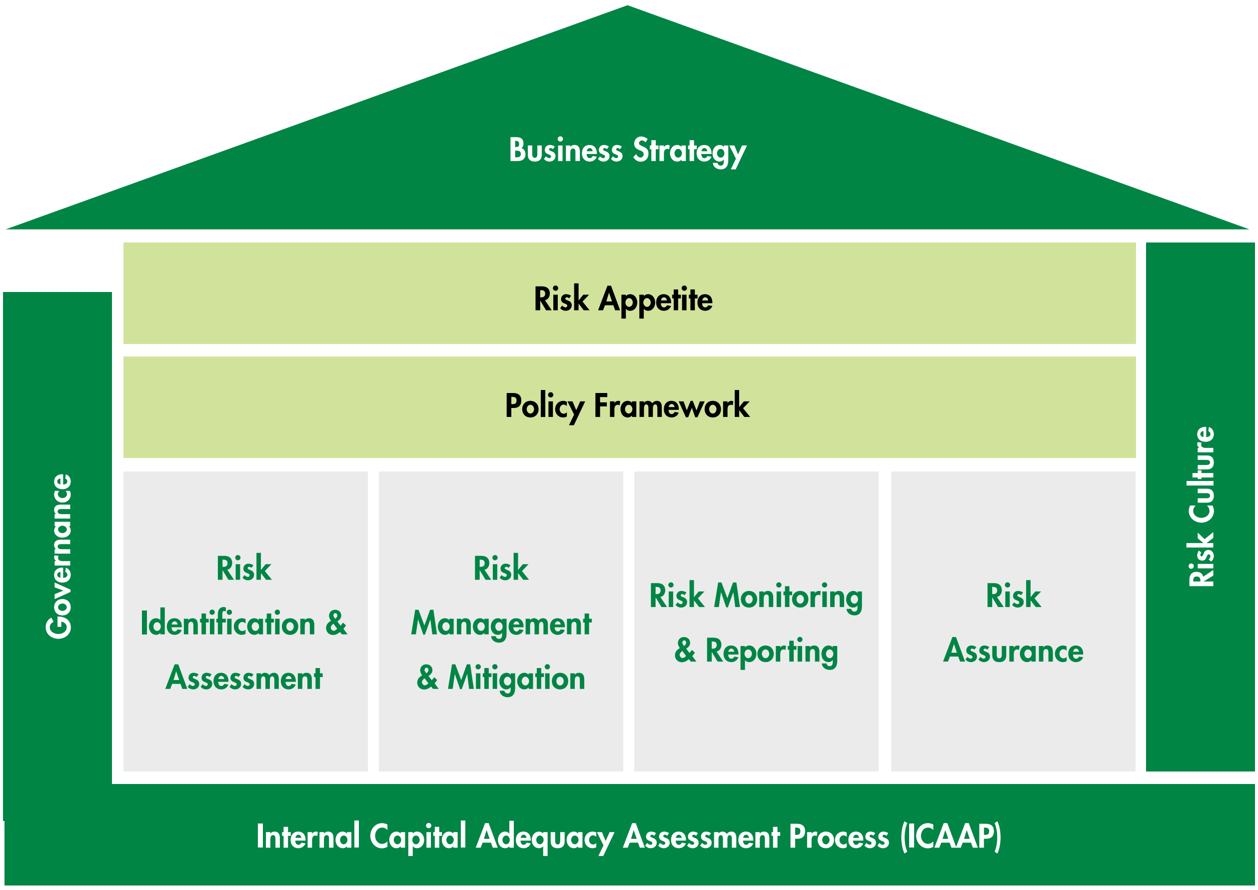
The Board Risk Management Committee assists the Board by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage the Company's risks. The Committee is supported by management committees in addressing any key risks identified.

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 that there are adequate and effective operational procedures, internal controls and systems to support these policies.

THE RISK MANAGEMENT DEPARTMENT

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

- Identify, manage and report existing and emerging risks to Management and the Board of Directors
- Enhance credit ratings, and 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 volatilities
- Maximise shareholders value and stakeholders' protection.

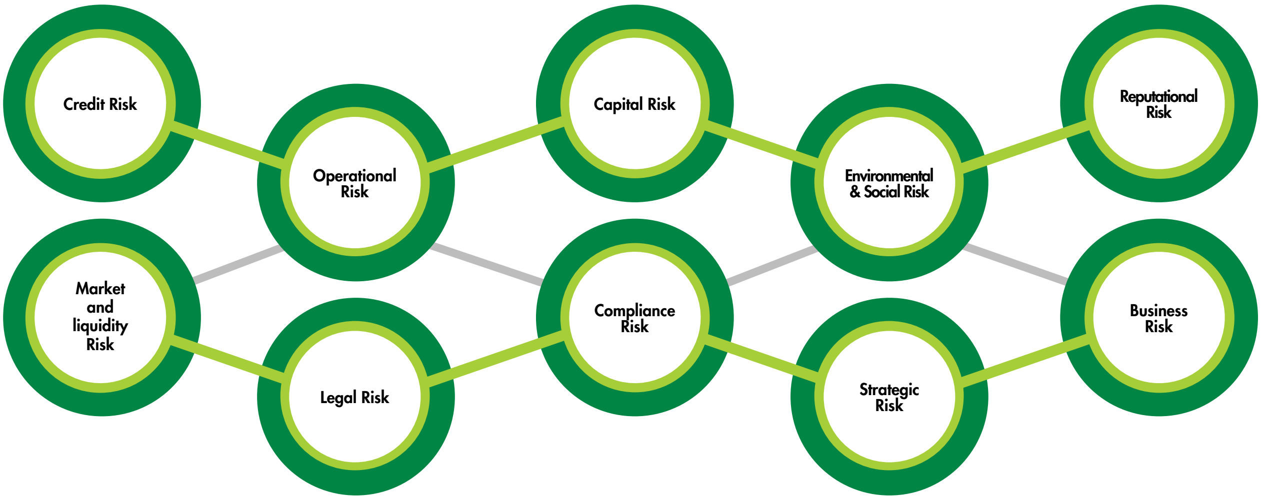


SCOPE OF RISKS

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 and Governance Risk

Risk Management



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 (PWR)) 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 the 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's 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 Primary Mortgage Lenders (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 compliance regulatory returns and reports in strict accordance with specifications to the relevant 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 Anti Money Laundering law and Combating Financing of Terrorism 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 Patrner 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. Information security risk. 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.

WHISTLEBLOWING 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 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.

a) Clearly defined lines of responsibility and delegation of authority to the Committees of the Board, Management and staff.

b) 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

a) 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.

b) 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

c) Regular and comprehensive information are provided to Management covering financial and operational reports at least on a monthly basis.

POLICIES AND PROCEDURES

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

a) 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.

b) The audit plan and audit reports are also submitted to the Board and the respective Board committee to inform them of any weakness 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

Sustainability is an integral part of NMRC's philosophy to responsible financing. It is embedded in the business strategy of the Company. NMRC aligns with the Central Bank of Nigeria's Sustainability Principles and International best practices in the implementation of sustainability principles and standards. Sustainability is applied in the daily running of NMRC's business and operations.

In NMRC, Sustainability is implemented, managed, monitored, and reported through the Environmental, social and governance (ESG) framework. NMRC sustainability practices is guided by the 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 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 and prescribes suitable procedures and workflows that ensures the Company's compliance with applicable environmental, social and governance laws and regulations as well as other regulatory requirements. NMRC also imbibes the requirements of international financial institutions that provide support to NMRC such as the World Bank/IFC.

NMRC's ESG practices focuses on people and culture, investing in 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 the Company 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'S REFINANCING TRANSACTIONS

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

E&S risks associated with NMRC's lending activities depend on factors such as the specific ESG compliance and circumstances associated with the Mortgage Lending Institutions (MLIs) businesses and operations.

NMRC drives and supports primary mortgage lending institutions to institutionalize and implement adequate policies, procedures, and practical tools for environmental and social risk screening of mortgages during mortgage underwriting. These mortgages are subsequently submitted 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 Boards.

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

NMRC designed an E&S Screening Checklist that is 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.

Due diligence of MLIs' systems and capacity →

- Review of MLIs E&S policies, procedures, & capacity to conduct E&S screening in acordance with NMRC's requirements and criteria
- Inclusion of E&S covenants in legal agreements with MLIs

Verification of MLIs E&S Screening of Refinance Tranches →

- Review of E&S screening data presented by MLIs as part of their request for refinancing
- Verification of MLIs' due diligence against NMRC's Exclusion List and E&S screening criteria

Monitoring, Supervision & Reporting

- Review of MLIs E&S reports
- Periodic visits to MLIs
- Preparation of internal and external reporting

NMRC'S COLLABORATION WITH STAKEHOLDERS ON SUSTAINABILITY

NMRC demonstrates interest and participation in ESG matters at the local and international stage. The Company keenly adopts updates and requirements on sustainability. Attention is paid to climate risk management in its business choices and engagements.

NMRC maintains relationships with the World Bank and IFC on Sustainability and ESG matters, including green financing. The Company 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. NMRC also actively participates in trainings and workshops organised by the CBN on ESG and is currently a member of the CBN committee for the revision of the CBN 2012 Sustainability framework for Banks. Reports on ESG (sustainability) assessments are submitted to the CBN periodically.

During the year, NMRC participated in a sustainability assessment exercise organised by Nigeria Sovereign Investment Authority (NSIA), a shareholder of NMRC. The assessment revealed that NMRC is compliant with ESG requirements for its business type.

The Company runs a Corporate Social Responsibility (CSR) Program that is targeted at providing entrepreneurial skills acquisition to unemployed youths. The program focuses on providing training on building technology such as tiling, plumbing, painting, wiring, etc. The training is done through partnership with the Industrial Training Fund (ITF). NMRC has trained and equipped over 400 persons through the scheme and some of the beneficiaries are now self-employed, business owners and employers of labour. The Company has taken steps to increase the number of female participations in the scheme over the years. 2025 had the highest number of female participants since its inception.

NMRC WORKPLACE SUSTAINABILITY INITIATIVES

Every NMRC staff is "Green Conscious" progressing from awareness to deliberate execution. Staff are compliance driven as there are deliberate and dedicated actions put in place by the Company to ensure staff focus on reducing the carbon footprint in the workplace. 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 partner banks. Other key operations of the business are also driven through technology and automation.

NMRC operates on the 'No or Little Paper Initiative', which demands the near zero paper consumption target. Some activities implemented under this initiative include paper recycling, digitizing of the Board of Directors meeting and committee meeting papers, electronic approvals, electronic memo system, electronic reporting and presentation slides for meetings, etc.

Waste Management

NMRC actively tracks it 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 the running the operations of the Company to reduce its electricity consumption levels and save the environment. As fossil fuels are among the major causes of global warming due to the large amounts of GHGs, including carbon dioxide (CO_2), which they emit; NMRC is taking steps to reducing the use of such 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 disciple 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 embraces inclusion in its business decisions and is taking steps to ensure that the Company continues to implement initiatives that grow it. Recruitment of females is at Board and officer levels are given top priority in recruitments while still ensuring the best people are recruited.

NMRC refinances mortgage loans of individuals in the informal sector, middle and low income earners, and encourages lending women only and co-borrower loans that satisfy the Uniform Underwriting Standards.

The Company actively engages the Non-Interest Banking sector and players for capacity building of NMRC and banks staff on non-interest mortgage financing. NMRC is looking to finance non-interest mortgage loans in the near future. There are also ongoing plans to issue green bonds.

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 recognise 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.

Products innovation alongside stakeholder engagements continue to provide opportunities to birth mortgage underwriting standards for diverse economic groups in the society with a view to ensuring meaningful and measurable impact on access to housing for all.

NMRC will continue to participate and advocate for sustainable housing finance through government interventions, available international finance institutions funding, and the use of technology. The Company adopts a targeted approach that is aimed at collaboration with government on housing initiatives, adoption of the Mortgage Administration Law (MAL) that would ensure that both borrowers and lenders interest are protected, increased promotion of land tenure security and overall increase in homeownership.

Market Disclosure in 2025

NMRC'S CREDIT RATING IS STABLE

During the year, GCR affirmed Nigeria Mortgage Refinance Company Plc's national scale long-term and short-term issuer ratings of AA+(NG) and A1+(NG), respectively, with a Stable Outlook. The affirmation reflects NMRC's strong capitalisation, sound asset quality, healthy liquidity position, and consistent profitability.

NMRC WINS SPECIAL ACHIEVEMENT IN HOUSING DATA

NMRC was recognised at the Africa Housing Awards 2025 with the "Special Achievement in Housing Data" award for its sustained contribution to housing market data development in Nigeria. The award acknowledges the Company's role in advancing data-driven housing finance initiatives, including its participation in the establishment of the National Housing Data Centre, which is designed to serve as a central repository for housing and mortgage market information. Through these efforts, NMRC continues to support improved market transparency, informed policy making, and the long-term development of Nigeria's housing finance sector.

NMRC PARTICIPATES IN THE AFRICAN UNION HOUSING FINANCE CONFERENCE

In October 2025, NMRC participated in the 41st Annual Conference and Annual General Meeting (AGM) of the African Union for Housing Finance (AUHF), held in Nairobi, Kenya, under the theme, "Blended Finance for Affordable Housing: Making the Numbers Work." The conference, which brought together over 200 housing finance leaders, policymakers, investors, development finance institutions, central banks, and development partners from across Africa and beyond, focused on innovative financing approaches for addressing the continent's housing deficit. Discussions centred on the use of blended finance structures, local currency funding solutions, market development, and policy reforms required to scale affordable housing delivery. As Chair of the AUHF Board, NMRC's Managing Director/ Chief Executive Officer, Mr. Kehinde Ogundimu, played a leading role in the conference proceedings, including the State and City Roundtable on Blended Finance for Affordable Housing, where he emphasised the importance of stronger public-private collaboration and innovative financing mechanisms to mobilise investment into the housing sector. The conference was supported by key development partners, including UN-Habitat, the African Development Bank, and other international housing finance stakeholders committed to advancing affordable housing across the continent.

NMRC AT THE ABUJA INTERNATIONAL HOUSING SHOW 2025

In 2025, the Africa International Housing Show (AIHS) held in Abuja. The event brought together thousands of participants, including government officials, policymakers, investors, developers, mortgage institutions, development partners, and housing professionals from across Africa. Through its participation, NMRC contributed to industry discussions on affordable housing delivery, housing finance reform, mortgage market growth, and the importance of coordinated action across public and private sector stakeholders. The Company further advocated multi-agency collaboration as a critical enabler for expanding housing finance, strengthening market infrastructure, and supporting long-term sector growth.

NMRC'S MORTGAGE LITERACY CAMPAIGN

As part of its commitment to housing finance market development, NMRC conducted mortgage literacy campaigns across its social media platforms during the year. The campaigns were designed to increase public awareness of mortgage financing, highlight the benefits of homeownership through mortgages, and enhance understanding of NMRC's role in supporting liquidity and growth within the housing finance ecosystem.

NMRC'S CORPORATE SOCIAL RESPONSIBILITY PROGRAMME 2025

As part of its commitment to strengthening the housing sector and supporting skills development, NMRC continued its partnership with the Industrial Training Fund (ITF) to provide vocational and entrepreneurship training in housing construction-related trades. During the year, 40 young Nigerians participated in the programme, which combined classroom instruction with practical, hands-on training in areas including plumbing, electrical installations, tiling, Plaster of Paris (PoP) Installation, and event/ interior decoration.

A key feature of the programme was the practical application of the skills acquired by participants through the refurbishment of facilities at Normal College, Ogba, Lagos, funded by NMRC. Under professional supervision, trainees carried out renovation works, including the upgrade of the school's science laboratories, electrical installations, tiling works, water supply infrastructure, sanitation facilities, and interior finishing improvements. The initiative provided participants with valuable field experience while contributing to the improvement of the school's learning environment.

In addition, participants received entrepreneurship training and trade-specific starter packs to support self-employment opportunities and encourage long-term participation in the housing construction value chain. Through the programme, NMRC continues to contribute to the development of skilled artisans and support sustainable growth within Nigeria's housing sector.

NMRC EXTENDS REFINANCING TO BANKS

As a secondary mortgage lender and liquidity provider for mortgage loan origination, NMRC continued to engage with primary mortgage lenders, including commercial and mortgage banks during the year under review. The Company also supported capacity-building initiatives for participating institutions and maintained its focus on strengthening the mortgage finance ecosystem. NMRC remains committed to providing long-term liquidity to the housing sector and supporting the growth of affordable housing finance in Nigeria.

NATIONAL HOUSING DATA CENTRE INITIATIVE

NMRC continued to work 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 sector on the development of the National Housing Data Centre. The Joint Committee on National Housing Data, chaired by the Honourable Minister of Housing and Urban Development, with the MD/CEO of NMRC serving as Co-chair, continued to provide oversight for the initiative. During the year, consultations were held with six states on the proposed framework for the Centre, including plans to transition the initiative from a government-led programme to a self-sustaining special purpose vehicle (SPV).

NMRC & CSCS

NMRC continued to advance its collaboration with the Central Securities Clearing System Plc (CSCS) on the development of the Electronic Land and Mortgage Asset Registry (ELMAR), an initiative designed to support the digital transformation of land administration and mortgage market infrastructure in Nigeria. The partnership leverages CSCS's expertise in asset registration and dematerialisation, alongside NMRC's experience in housing finance and mortgage market development, to create a secure digital platform for the registration and management of land and mortgage-related assets.

As part of the initiative, engagement with key stakeholders, including state governments, progressed during the year, with Lagos State identified as a potential pilot location. The project also seeks to support the broader digitalisation of Geographic Information Systems (GIS) and strengthen the integration of land administration systems with the housing finance ecosystem.

NMRC & LAGIS

NMRC continued its collaboration with the Lagos State Geographic Information System (LAGIS) and CSCS on the development of a Property Bank platform aimed at enhancing the bankability and accessibility of real estate assets. The proposed platform is intended to bridge the gap between land administration systems and the financial sector by providing a digital interface through which property owners, developers, financial institutions, and other stakeholders can securely access and utilise verified property information.

The initiative is expected to improve the usability of title documents within the financial system, facilitate access to credit, and support greater participation in formal housing finance by unlocking the economic value of real estate assets.

NMRC, NIGERIA GOVERNOR'S FORUM & FMDQ

NMRC collaborated with the Nigeria Governors' Forum (NGF) and FMDQ through a dedicated sub-committee established to promote the adoption of the Mortgage Administration Law (MAL) across Nigeria's thirty-six states. The initiative is aimed at supporting the creation of a more efficient and investor-friendly legal framework for mortgage origination, registration, enforcement, and housing finance transactions at the sub-national level.

During the year, the sub-committee developed an advocacy package, including an informational guide highlighting the economic, investment, and housing finance benefits of the Mortgage Administration Law, as well as a proposed implementation roadmap to support adoption by state governments. These efforts are intended to encourage legal and regulatory reforms that will strengthen mortgage market development and improve access to housing finance across the country.

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 2025 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:

Olabanjo Obalaye
Chairman
FRC/2014/PRO/00000008786
4 March 2026

Kehinde Ogundimu
Chief Executive Officer
FRC/2015/PRO/00000011195
4 March 2026

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 2025 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 2025 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/PRO/00000014172
4 March 2026

Members of the Audit Committee are:

1	**Ayo Olowookere**	Shareholder	Member
2	**Olumide Adedeji, PhD**	Shareholder	Member
3	**Kofoworola Owode**	Shareholder	Member
4	**Markie Idowu, PhD**	Director	Member

Report on the Effectiveness of Internal Control Over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 88-91 of The Investments and Securities Act 2025, we hereby make the following statements regarding the Internal Controls of Nigeria Mortgage Refinance Company (NMRC) for the year ended 31 December 2025:

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 2025 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.

Olabanjo Obaleye
Chairman
FRC/2014/PRO/00000008786

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

CERTIFICATION PURSUANT TO SECTION 88 OF THE INVESTMENTS AND SECURITIES ACT, 2025

I, Kehinde Ogundimu, certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Nigeria Mortgage Refinance Company PLC ("the Company").

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits 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 consolidated and separate 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 Company as of, and for, the period presented in this report.

d) The Company'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 Company, is made known to us by within the Company, particularly during the period in which this report is being prepared;
3. Have designed such an internal control system, or caused such an 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 IFRS Accounting Standards;
4. Have evaluated the effectiveness of the Company'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 Company's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Company's auditors and the Board audit committee:

1) All significant deficiencies; and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and

2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company'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 our evaluation.

Kehinde Ogundimu
Chief Executive Officer
FRC/2015/PRO/00000011195
4 March 2026

CERTIFICATION PURSUANT TO SECTION 88 OF THE INVESTMENTS AND SECURITIES ACT, 2025

I, Kanayo Mba, certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2025 of Nigeria Mortgage Refinance Company PLC ("the Company").

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits 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 consolidated and separate 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 Company as of, and for, the period presented in this report.

d) The Company'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 Company, is made known to us by within the Company, particularly during the period in which this report is being prepared;
3. Have designed such an internal control system, or caused such an 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 IFRS Accounting Standards;
4. Have evaluated the effectiveness of the Company'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 Company's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Company's auditors and the Board audit committee:

1) All significant deficiencies; and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company'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 our evaluation.

Kanayo Mba
Chief Financial Officer
FRC/2019/PRO/00000019030
4 March 2026

Financial Statements

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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") are not adequate as at 31 December 2025, based on the SEC Guidance on Implementation of Sections 88 – 91 of The Investments and Securities Act 2025 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, 2025, 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
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,
Lagos, Nigeria

www.pwc.com/ng

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 2026 expressed an unqualified opinion.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0828057

Chidi Ojechi

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

26 March 2026

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 Refinance Company Plc 's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2025, 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") 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.

What we have audited

Nigeria Mortgage Refinance Company Plc's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- 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 judgment, 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.

PricewaterhouseCoopers
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,
Lagos, Nigeria

Key audit matter	How our audit addressed the key audit matter
Impairment on mortgage refinance loans – N71.67 million (refer to notes 3.1d, 4e and 8) We focused on this area because the directors exercise significant judgment, using subjective assumptions to determine both the timing and amount of impairment recognition. IFRS 9 "Financial Instruments" requires significant judgment in measuring expected credit loss (ECL). Key areas where such judgment is exercised include: • 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.	We understood the process, evaluated and tested key controls around the determination of the allowance for expected credit loss. We performed the following procedures: • 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 Corporate information, Directors' report, Corporate governance report, Statement of directors' responsibilities, Report of the external consultants on the performance evaluation of the Board of Directors and corporate governance audit of Nigeria Mortgage Refinance Company Plc for the year ended 31st December 2025, 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 on Internal Control over Financial Reporting, Chief Financial Officer's Certification of Management's Assessment on 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 2025 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 2025 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 Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, 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; and

iv) 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 2025.

In accordance with the requirements of the Securities and Exchange Commission, 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 2025. 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 2026.

Chidi Ojechi

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0828062

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

26 March 2026

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

Statement of Financial Position

In thousands of Naira	Notes	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	6	166,690	427,282
Placements with banks	7	1,691,322	1,621,130
Mortgage refinance loans	8	22,096,221	23,892,428
Investment securities - FVOCI	9	3,366,598	2,821,072
Investment securities - Amortised cost	9	54,700,017	55,031,274
Other assets	10	1,003,423	747,557
Property, plant and equipment	11	739,545	619,227
Intangible assets	12	47,401	33,829
Total assets		**83,811,217**	**85,193,799**
Liabilities			
Debt securities issued	13(a)	15,292,273	17,973,980
Borrowings	13(b)	36,059,147	36,806,320
Other liabilities	14	3,259,899	3,116,837
Current tax liabilities	22(b)	105,095	109,106
Total liabilities		**54,716,414**	**58,006,243**
Capital and reserves			
Share capital	15(a)(ii)	2,125,444	2,125,444
Share premium	15(a)(iii)	5,925,232	5,925,232
Retained earnings	15(b)	15,447,948	14,340,479
Statutory reserve	15(c)	5,558,732	5,048,250
Statutory credit risk reserve	27	150,012	128,866
Fair value reserve	15(d)	(112,565)	(380,715)
Total equity		**29,094,803**	**27,187,556**
Total liabilities and equity		**83,811,217**	**85,193,799**

The financial statements were approved by the Board of Directors on 4 March 2026 and signed on its behalf by:

Additionally certified by:

Olabanjo Obaleye
Chairman
FRC/2014/PRO/00000008786

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

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

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

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Naira	Notes	31 December 2025	31 December 2024
Gross earnings		**10,246,841**	**10,450,347**
Interest income calculated using effective interest rate	16	10,246,749	10,436,421
Interest expense calculated using effective interest rate	17	(3,784,612)	(4,127,138)
Net interest income		**6,462,137**	**6,309,283**
Other income	18	92	13,926
Total income		**6,462,229**	**6,323,209**
Impairment writeback on loans and advances	20a	39,504	47,728
Impairment (charge)/writeback on investments	20b	(797)	1,470
Personnel expenses	19	(1,185,488)	(1,088,738)
Depreciation and amortisation	11,12	(165,325)	(98,796)
Other operating expenses	21	(1,660,754)	(1,412,512)
Profit before income tax		**3,489,369**	**3,772,361**
Income tax expense	22(a)	(34,894)	(37,920)
Minimum tax	22(a)	(51,259)	(52,252)
Profit for the year		**3,403,216**	**3,682,189**
Items that are or may be reclassified to profit or loss			
- Changes in fair value of FVOCI debt instruments	15(d)	268,150	(412,750)
Other comprehensive income/(loss), net of income tax		**268,150**	**(412,750)**
Total comprehensive income for the year		**3,671,366**	**3,269,439**
Profit attributable to:			
Equity holders of the Company		3,403,216	3,682,189
Profit for the year		**3,403,216**	**3,682,189**
Earnings per share (Basic and diluted)	**23**	**160 k**	**173 k**

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

Statement of Changes in Equity

In thousands of Naira	Notes	Share capital	Share premium	*Statutory credit risk reserve	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2025		2,125,444	5,925,232	128,866	14,340,479	5,048,250	(380,715)	27,187,556
Profit for the year		-	-	-	3,403,216	-	-	3,403,216
Changes in fair value of FVOCI debt instruments	15(d)	-	-	-	-	-	268,150	268,150
Total comprehensive income		**-**	**-**	**-**	**3,403,216**	**-**	**268,150**	**3,671,366**
Transfer to statutory reserve		-	-	-	(510,482)	510,482	-	-
Transfer to statutory credit risk reserve		-	-	21,146	(21,146)	-	-	-
Dividend paid during the year	15(b)	-	-	-	(1,764,119)	-	-	(1,764,119)
Balance at 31 December 2025		**2,125,444**	**5,925,232**	**150,012**	**15,447,948**	**5,558,732**	**(112,565)**	**29,094,803**

In thousands of Naira	Note	Share capital	Share premium	Statutory credit risk reserve*	Retained earnings/ (loss)	Statutory reserve	Fair value reserve	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
Other comprehensive loss for the year	15(d)	-	-	-	-		(412,750)	(412,750)
Total comprehensive income		**-**	**-**	**-**	**3,682,189**	**-**	**(412,750)**	**3,269,439**
Transfer to statutory reserve		-	-	-	(552,329)	552,329	-	-
Transfer to statutory credit risk reserve		-	-	34,000	(34,000)	-	-	-
Dividend paid during the year	15(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**

**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

In thousands of Naira	Notes	31 December 2025	31 December 2024
Cash flows from operating activities			
Profit for the year		3,403,216	3,682,189
Add tax expense	22(a)	86,153	90,172
Profit before tax		**3,489,369**	**3,772,361**
Adjustments for:			
Interest income at effective interest rate	16	(10,246,749)	(10,436,421)
Interest expense at effective interest rate	17	3,784,612	4,127,138
Depreciation and amortisation	11,12	165,325	98,796
Gain on disposal of property, plant and equipment	18	-	(8,860)
Foreign exchange gain	18	(92)	(5,066)
Writeback on impairment of mortgage refinance loans	20	(39,504)	(47,728)
Impairment (writeback)/loss on investment securities at amortized cost	20	(10,391)	2,296
Impairment writeback on pledged assets	20	-	(1,517)
Impairment writeback on investment securities at FVOCI	20	10,005	(1,499)
Impairment loss/(writeback) on placement with banks	20	1,183	(750)
Cash used in operations		**(2,846,242)**	**(2,501,250)**
Changes in operating assets and liabilities:			
Pledged assets		-	1,148,187
Mortgage refinance loans	28(a)	1,835,711	1,313,402
Placements with banks	28(b)	(71,375)	185,310
Other assets	28(c)	(255,866)	(501,043)
Other liabilities	28(d)	143,062	470,508
		1,194,710	**115,115**
Interest received	28(e)	10,388,398	10,693,728
Interest paid on debt securities issued	28(f)	(2,223,646)	(2,223,646)
Interest paid on borrowings	28(f)	(1,577,423)	(1,577,423)
Tax paid	22(b)	(90,164)	(88,225)
Net cash flows generated from operating activities		**5,302,455**	**6,919,549**
Cash flows from investing activities			
Purchase of investment securities	9(b)	(1,967,381)	(1,854,510)
Proceeds from matured investments	9(b)	1,880,000	1,797,167
Acquisition of property and equipment	11	(272,469)	(266,796)
Proceeds from disposal of property and equipment	28(g)	-	20,862
Net cash flows used in investing activities		**(386,596)**	**(303,277)**
Cash flows from financing activities			
Dividend paid	15(b)	(1,764,119)	(1,764,119)
Principal repayment of debt securities issued	28(f)	(2,692,741)	(2,701,983)
Principal repayment of borrowings	28(f)	(719,682)	(1,821,692)
Net cash flows used in financing activities		**(6,176,542)**	**(6,287,794)**
Net (decrease)/increase in cash and cash equivalents		(260,684)	328,477
Cash and cash equivalents, beginning of year	6	427,282	93,739
Impact of foreign exchange on cash and cash equivalents	18	92	5,066
Cash and cash equivalents, end of year	6	166,690	427,282

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 limited 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 as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 4 March, 2026.

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 liablities, 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.

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 intial recognition, except in the period after the Company changes its business model for managing financial assets.

(b) 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 transfered 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 norbased 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 Companys 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 servce 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 salary depending on their length of service.

(e) Accounting for employee benefits/personnel expenses

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

3.10 TAXATION

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

Current income tax

Current 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 detemined 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.

Interpretation of the Nigeria Tax Act 2025 in relation to the 2025 basis period

The Nigeria Tax Act 2025 ("NTA 2025") became effective on 1 January 2026. Subsequently, the Nigeria Revenue Service ("NRS") issued administrative communications indicating that the provisions of the Act should apply to tax returns submitted from 1 January 2026 onwards. Under this interpretation, the Act could potentially apply to financial periods that ended prior to its effective date. This view differs from the Company's interpretation of how the effective date of the legislation should interact with the basis-period rules under Nigerian tax law and the timing of tax return filings.

In line with IFRIC 23 – Uncertainty over Income Tax Treatments, management evaluated whether it is probable that the tax authority will accept the Company's filing position. In performing this assessment, management considered several factors, including:the wording of the effective date provision in NTA 2025 and the general legal principle that tax legislation operates prospectively unless expressly stated otherwise;

- judicial precedents emphasizing certainty and the avoidance of retroactive application of tax laws;
- the legal status and persuasive authority of the NRS administrative guidance relative to the provisions of the legislation;
- the possibility that additional clarification may be provided through administrative guidance or judicial interpretation;
- consistency with international tax practice and the National Tax Policy's emphasis on certainty and predictability; and
- the range of possible outcomes and the measurement guidance prescribed by IFRIC 23.

Based on this evaluation, management determined that it is more likely than not that the Company's interpretation—namely that the pre-NTA 2025 tax rules apply to the

2025 basis period—will be accepted by the tax authority. Consequently, current and deferred tax balances have been recognised using this approach, and no provision has been recorded in respect of uncertain tax positions.

Should it ultimately be determined that NTA 2025 applies to the 2025 basis period, the estimated financial impact would be as follows:

- Company income tax: increase/(decrease)
- Development levy: increase/(decrease)
- Deferred tax assets/liabilities: increase/(reduction)
- Overall, this would result in a corresponding increase/(reduction) in profit and net assets .

Management will continue to monitor regulatory developments and reassess this position where necessary.

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 it 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 2025

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

In 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.

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 solely 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 inocme (FVOCI).

b) 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

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

This new standards 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 dislosure requirements balance the information needs of the users of eligible subsidiaries' financial statemens with cost savings for prepares. 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

In thousands of Naira	Notes	31 December 2025	31 December 2024
Cash and cash equivalents	6	166,690	427,282
Placements with banks	7	1,691,322	1,621,130
Mortgage refinance loans	8	22,167,887	24,003,598
Investment securities	9	58,127,539	57,923,659
Other financial assets	10	28,855	101,489

Collateral

In thousands of Naira	Notes	31 December 2025	31 December 2024
Total loan exposure (gross)		22,167,887	24,003,598
Secured against real estate		22,167,887	24,003,598
Unsecured loan		-	-

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

In thousands of Naira	31 December 2025	31 December 2024
Total Value of collaterals held against loans	160,309,367	449,599,477

(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 it 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).

		31 Dec 2025				31 Dec 2024			
In thousands of Naira	12 month PD ranges	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	11,304,818		-	**11,304,818**	11,801,377		-	**11,801,377**
Satisfactory	0.60 - 11.34	-	589,022	-	**589,022**	-	1,244,061	-	**1,244,061**
Higher risk	11.35- 99.99	-	-	-	**-**	-	-	-	**-**
Lost	100	-	-	-	**-**	-	-	-	**-**
		11,304,818	**589,022**	**-**	**11,893,840**	**11,801,377**	**1,244,061**	**-**	**13,045,438**
Loss allowance		(14,742)	(993)	-	**(15,735)**	47,728	48	-	**47,776**
Carrying amount		**11,290,076**	**588,029**	**-**	**11,878,105**	**11,849,105**	**1,244,109**	**-**	**13,093,214**

		31 Dec 2025				31 Dec 2024			
In thousands of Naira	12 month PD ranges	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	10,274,048	-	-	**10,274,048**	10,803,720	-	-	**10,803,720**
Satisfactory	0.60 - 11.34	-	-	-	**-**	154,440	-	-	**154,440**
Higher risk	11.35- 99.99	-	-	-	**-**	-	-	-	**-**
Lost	100	-	-	-	**-**	-	-	-	**-**
		10,274,048	**-**	**-**	**10,274,048**	**10,958,160**	**0**	**-**	**10,958,160**
Loss allowance		(55,931)	-	-	**(55,931)**	(158,946)	-	-	**(158,946)**
Carrying amount		**10,644,774**		**-**	**10,218,117**	**10,799,214**	**0**	**-**	**10,799,214**

		31 Dec 2025				31 Dec 2024			
In thousands of Naira	**12 month PD ranges**	**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	54,770,940	-	-	**54,770,940**	55,112,588	-	-	**55,112,588**
Satisfactory	0.60-11.34	-	-	-	**-**	-	-	-	**-**
Higher risk	11.35-99.99	-	-	-	**-**	-	-	-	**-**
Lost	100	-	-	-	**-**	-	-	-	**-**
		54,770,940	**-**	**-**	**54,770,940**	**55,112,588**	**-**	**-**	**55,112,588**
Loss allowance		(70,923)	-	-	**(70,923)**	(81,314)	-	-	**(81,314)**
Carrying amount		**54,700,017**	**-**	**-**	**54,700,017**	**55,031,274**	**-**	**-**	**55,031,274**

		31 Dec 2025				31 Dec 2024			
In thousands of Naira	**12 month PD ranges**	**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	3,366,598	-	-	**3,366,598**	2,811,072	-	-	**2,811,072**
Satisfactory	0.60-11.34	-	-	-	**-**	-	-	-	**-**
Higher risk	11.35-99.99	-	-	-	**-**	-	-	-	**-**
Lost	100	-	-	-	**-**	-	-	-	**-**
		3,366,598	**-**	**-**	**3,366,598**	**2,811,072**	**-**	**-**	**2,811,072**
Loss allowance		-	-	-	**-**	-	-	-	**-**
Carrying amount		**3,366,598**	**-**	**-**	**3,366,598**	**2,811,072**	**-**	**-**	**2,811,072**

		31 Dec 2025				31 Dec 2024			
In thousands of Naira	**12 month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Other financial assets									
Low - fair risk		28,855	-		**28,855**	101,489	-		**101,489**
Higher risk		-	-		**-**	-	-		**-**
Credit impaired		-	-		**-**	-	-		**-**
		28,855	**-**		**28,855**	**101,489**			**101,489**
Loss allowance		(541)	-		**(541)**	(541)			**(541)**
Carrying amount		**28,314**	**-**		**100,948**	**100,948**	**-**		**100,948**

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(d).

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:

S&P Global 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. Base 1% Base 2%
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. Range between 0.5 and 2% Range between 1 and 3%

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 2025 included the following key indicators for Nigeria for the years ending 31 December 2026 to 2027.

	2026	**2027**
Prime Lending rate	Base 15%	Base 13%
GDP growth	Base 2.92%	Base 3%

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:

In thousands of Naira	**Notes**	**31 December 2025**	**31 December 2024**
Financial assets			
Cash and cash equivalents	6	166,690	427,282
Placements with banks	7	1,691,322	1,621,130
Mortgage refinance loans	8	22,096,221	23,892,428
Investment securities	9	58,066,615	57,852,346
		82,020,848	**83,793,186**
Financial liabilities			
Debt securities issued	13(a)	15,292,273	17,973,980
Borrowings	13(b)	36,059,147	36,806,320
		51,351,420	**54,780,300**

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.

In thousands of Naira	31 December 2025	31 December 2024
Increase in interest rate by 500 basis points (+10%)	1,533,471	1,450,644
Decrease in interest rate by 500 basis point (-10%)	(1,533,471)	(1,450,644)

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.

In thousands of Naira	31 December 2025	31 December 2024
Increase in interest rate by 500 basis points (+10%)	168,330	141,054
Decrease in interest rate by 500 basis point (10%)	(168,330)	(141,054)

(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.

31 December 2025 *In thousands of Naira*	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	166,690	166,690	166,690	-	-	-	-
Placements with banks	7	1,691,322	1,725,442	1,454,454	270,988	-	-	-
Mortgage refinance loans	8	22,096,221	36,310,239	1,193,728	1,195,668	2,388,870	17,542,282	13,989,691
Investments securities	9	58,066,615	123,848,000	8,302,192	1,126,454	2,928,294	33,341,076	78,149,984
Other financial assets	10	28,855	28,855	28,855	-	-	-	-
Total financial assets		**82,049,703**	**162,079,226**	**11,145,919**	**2,593,110**	**5,317,164**	**50,883,358**	**92,139,675**
Non-derivative liabilities								
Debt securities	13(a)	15,292,273	22,411,754	1,229,721	1,229,721	2,459,442	13,231,407	4,261,463
Borrowings	13(b)	36,059,147	60,507,336	-	1,130,398	1,134,926	8,747,482	49,494,530
Other financial liabilities	14	3,247,187	3,247,187	3,247,187	-	-	-	-
Total financial liabilities		**54,598,608**	**86,166,277**	**4,476,908**	**2,360,119**	**3,594,368**	**21,978,889**	**53,755,993**
Gap-assets/(liabilities)		**27,451,095**	**75,912,949**	**6,669,011**	**232,991**	**1,722,796**	**28,904,469**	**38,383,682**
Cumulative liquidity gap		**-**	**-**	**6,669,011**	**6,902,002**	**8,624,798**	**37,529,267**	**75,912,949**

31 December 2024 *In thousands of Naira*	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	9	57,852,346	130,786,984	2,534,735	1,162,224	3,712,024	38,780,884	84,597,117
Other financial assets	10	101,489	79,246	79,246	-	-	-	-
		85,603,592	136,567,911	4,999,172	11,594,148	17,294,891	39,439,563	63,240,138.34
Total financial assets		**83,894,675**	**173,246,534**	**5,641,781**	**2,716,651**	**6,070,406**	**56,742,446**	**102,075,251**
Non-derivative liabilities								
Debt securities	13(a)	17,973,980	27,330,637	1,229,721	1,229,721	2,459,442	15,555,252	6,856,501
Borrowings	13(b)	36,806,320	62,804,443	-	1,146,158	1,150,948	8,874,610	51,632,727
Other financial liabilities	14	3,097,647	3,097,647	3,097,647	-	-	-	-
Total financial liabilities		**57,877,947**	**93,232,727**	**4,327,368**	**2,375,879**	**3,610,390**	**24,429,862**	**58,489,228**
Gap-assets/(liabilities)		**26,017,001**	**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**

(d) Capital management

The Nigeria Mortgage Refinance Company Plc is required to hold a minimum capital of ₦5 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 2025. The capital adequacy ratio has been computed in line with Basel II rule.

Capital Adequacy Computation

In thousands of Naira	31 December 2025	31 December 2024
Tier 1 Capital		
Share capital	2,125,444	2,125,444
Share premium	5,925,232	5,925,232
Retained earnings	15,447,948	14,340,479
Statutory reserves	5,558,732	5,048,250
Other reserves	(112,565)	(380,715)
	-	-
Total qualifying Tier 1 capital	**28,944,791**	**27,058,689**
Less:		
Intangible assets	(47,401)	(33,829)
Adjusted total qualifying Tier 1 capital	**28,897,390**	**27,024,860**
Tier 2 Capital		
Subordinated term debt	51,351,420	54,780,300
Other Comprehensive Income	268,150	(412,750)
Total qualifying Tier 2 capital	**51,619,570**	**54,367,550**
Adjusted total qualifying Tier 2 capital (limited to 33.33% of total Tier 1 capital)	**9,632,463**	**9,008,287**
Investment in the capital of banking and financial institutions	(10,000)	(10,000)
Total Regulatory Capital	**38,519,853**	**36,023,147**

Risk weighted assets	**31 December 2025**	**31 December 2024**
Risk-weighted amount for credit risk	24,465,658	26,612,816
Risk-weighted amount for operational risk	11,687,766	11,098,670
Risk-weighted amount for market risk	-	-
Total weighted risk assets	**36,153,424**	**37,711,486**
Capital Adequacy Ratio (CAR)	**107%**	**96%**

The Company's capital adequacy ratio was 107% as at 31 December 2025 (31 December 2024: 96%) 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 2025

In thousands of Naira	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	166,690	-	-	-	166,690	3	166,690
Placements with banks	7	1,691,322	-	-	-	1,691,322	3	1,691,322
Mortgage refinance loans	8	22,096,221	-	-	-	22,096,221	3	22,096,221
Investment securities - FVOCI	9	-	3,356,598	-	-	3,356,598	1	3,356,598
Investment securities - Amortised cost	9	54,700,017	-	-	-	57,982,018	1	54,700,017
Other financial assets	10	28,855	-	-	-	28,855	3	28,855
		78,683,105	**3,356,598**	**-**	**-**	**85,321,704**		**82,039,703**
Debt securities issued	13(a)	15,292,273	-	-	-	15,292,273	1	15,292,273
Borrowings	13(b)	36,059,147	-	-	-	36,059,147	3	36,059,147
Other financial liabilities	14	3,247,187	-	-	-	3,247,187	3	3,247,187
		54,598,607	**-**	**-**	**-**	**54,598,607**		**54,598,607**

31 December 2024

In thousands of Naira	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	3	427,282
Placements with banks	7	1,621,130	-	-	-	1,621,130	3	1,621,130
Mortgage refinance loans	8	23,892,428	-	-	-	23,892,428	3	23,892,428
Investment securities - FVOCI	9	-	2,811,072	10,000	-	2,821,072	1	2,821,072
Investment securities - Amortised cost	9	55,031,274	-	-	-	58,333,150	1	55,031,274
Other financial assets	10	101,489	-	-	-	101,489	3	101,489
		81,073,603	**2,811,072**	**10,000**	**-**	**87,196,551**		**83,894,675**
Debt securities issued	13(a)	17,973,980	-	-	-	17,973,980	1	17,973,980
Borrowings	13(b)	36,806,320	-	-	-	36,806,320	3	36,806,320
Other financial liabilities	14	3,097,647	-	-	-	3,097,647	3	3,097,647
		57,877,947	**-**	**-**	**-**	**57,877,947**		**57,877,947**

6 CASH AND CASH EQUIVALENTS

In thousands of Naira	31 December 2025	31 December 2024
Balances with banks	166,690	427,282
Cash and cash equivalents	**166,690**	**427,282**

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 impairment losses were recognized.

7 PLACEMENTS WITH BANKS

In thousands of Naira	31 December 2025	31 December 2024
Placements with banks	1,692,505	1,621,130
Impairment loss allowance (see note (a) below)	(1,183)	-
	1,691,322	**1,621,130**
Current	1,691,322	1,621,130
Non-current	-	-
	1,691,322	**1,621,130**

(a) Impairment loss allowance

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	-	750
Impairment loss/(writeback)	1,183	(750)
Balance, end of year	**1,183**	**-**

8 MORTGAGE REFINANCE LOANS

In thousands of Naira	31 December 2025	31 December 2024
Loans and advances	22,167,887	24,003,598
Impairment loss allowance (see note (a) below)	(71,666)	(111,170)
Loans and advances at amortised cost	**22,096,221**	**23,892,428**
Loans and advances at amortised cost comprises of:		
Loans to commercial banks	11,878,105	13,037,210
Loans to mortgage banks	10,218,116	10,855,218
	22,096,221	**23,892,428**
Current	2,390,221	4,284,891
Non-current	19,706,000	19,607,537
	22,096,221	**23,892,428**

(a) Impairment loss allowance

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	111,170	158,898
Impairment writeback during the year	(39,504)	(47,728)
Balance, end of year	**71,666**	**111,170**

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

In thousands of Naira	31 December 2025	31 December 2024
Secured against real estate	22,167,887	24,003,598
Unsecured	-	-
Balance, end of year	**22,167,887**	**24,003,598**

9 INVESTMENT SECURITIES

(a) Analysis of investments

In thousands of Naira	31 December 2025	31 December 2024
FVOCI investment securities:		
Federal Government of Nigeria Bonds	2,907,558	2,636,013
Treasury bills	449,040	175,059
Unquoted equity instrument	10,000	10,000
	3,366,598	**2,821,072**
Investment securities at amortised cost:		
Federal Government of Nigeria Bonds	54,770,940	55,112,588
Impairment loss allowance (see note (i) below)	(70,923)	(81,314)
	54,700,017	**55,031,274**

Included in these investments are securities held with respect to accrued guarantee fee (See note 13(a)(ii)).

Current

In thousands of Naira	31 December 2025	31 December 2024
FVOCI investment securities	573,505	578,119
Investment securities at amortised cost	7,770,124	7,802,634
	8,343,629	**8,380,753**

Non-current

In thousands of Naira	31 December 2025	31 December 2024
FVOCI investment securities	2,793,093	2,242,953
Investment securities at amortised cost	46,929,893	47,228,640
	49,722,986	**49,471,593**

(i) Impairment loss allowance

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	81,314	79,017
Impairment (writeback)/loss during the year	(10,391)	2,296
Balance, end of year	**70,923**	**81,314**

(b) Movement in investment securities

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

	2025		
	FVOCI instruments	Instruments at amortised cost	Total
At 1 January, 2025	2,821,072	55,031,274	57,852,346
Additions	1,967,381	-	1,967,381
Disposals	(1,680,000)	(200,000)	(1,880,000)
Unrealized gain	258,145	-	258,145
Impairment (loss)/writeback	-	10,391	10,391
Interest earned	-	(141,648)	(141,648)
At 31 December 2025	**3,366,598**	**54,700,017**	**58,066,615**

	2024		
	FVOCI instruments	Instruments at amortised cost	Total
At 1 January, 2024	3,168,379	55,231,867	58,400,246
Impairment loss	-	(2,296)	(2,296)
Interest income	521,515	6,553,791	7,075,306
Interest received	(513,415)	(6,752,088)	(7,265,503)
Purchase of investment securities	1,854,510	-	1,854,510
Matured/disposed investments	(1,798,666)	-	(1,798,666)
Unrealized loss	**(411,251)**	**-**	**(411,251)**
At 31 December 2024	**2,821,072**	**55,031,274**	**57,852,346**

10 OTHER ASSET

In thousands of Naira	**31 December 2025**	**31 December 2024**
Non financial assets:		
Prepaid staff benefits	18,157	44,276
Prepaid IT expenses	89,525	80,040
Prepaid Other expenses	6,566	15,755
Prepaid bond issuance cost	35,338	-
Other borrowing cost (see (a) below)	759,810	445,984
WHT Receivable	65,713	76,309
	975,109	**646,608**
Financial assets:		
Staff loans and advances	28,855	19,588
Investment for NMGC	-	26,746
Other receivables	-	55,155
	28,855	**101,489**
Impairment on other assets	(541)	(541)
	28,314	100,948
	1,003,423	**747,557**
Current	1,003,423	747,557
Non-current	-	-
	1,003,423	**747,557**

(a) This represents the commitment fee paid for securing a long-term funding facility provided by a development finance institution.

11 PROPERTY PLANT AND EQUIPMENT

In thousands of Naira	Building	Land	Computer Equipment	Office Equipment	Freehold Improvements	Furniture and Fittings	Motor Vehicle	Plant and Machinery	Capital Work-in-progress	Total
Cost										
At 1 January 2025	39,000	293,720	472,266	18,897	75,081	32,586	86,609	13,226	31,449	1,062,833
Additions	-	-	9,476	3,467	1,095	3,719	13,163	-	241,549	272,468
Reclassifications	-	-	222,425	-	26,007	5,993	17,884	-	(272,309)	-
At 31 December 2025	**39,000**	**293,720**	**704,167**	**22,364**	**102,183**	**42,298**	**117,656**	**13,226**	**689**	**1,335,303**
At 1 January 2024	39,000	293,720	279,476	18,897	75,081	32,101	215,857	13,226	38,700	1,006,058
Additions	-	-	94,417	-	-	485	33,525	-	138,369	266,795
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**	**32,586**	**86,609**	**13,226**	**31,449**	**1,062,834**
Accumulated Depreciation										
At 1 January 2025	4,806	-	285,808	17,161	67,317	28,500	26,789	13,226	-	443,607
Charge for the year	780	-	103,728	1,512	14,204	5,949	25,978	-	-	152,151
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2025	**5,586**	**-**	**389,536**	**18,673**	**81,521**	**34,449**	**52,767**	**13,226**	**-**	**595,758**
At 1 January 2024	4,026	-	248,744	15,828	48,666	20,572	160,806	13,226	-	511,866
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**	**-**	**285,808**	**17,161**	**67,317**	**28,500**	**26,789**	**13,226**	**-**	**443,607**
Net book value										
At 31 December 2025	**33,414**	**293,720**	**314,631**	**3,691**	**20,662**	**7,849**	**64,889**	**-**	**689**	**739,545**
At 31 December 2024	**34,194**	**293,720**	**186,458**	**1,736**	**7,764**	**4,086**	**59,820**	**-**	**31,449**	**619,227**

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

12 INTANGIBLE ASSETS

In thousands of naira	Computer Software
Cost	
At 1 January 2025	129,887
Reclassification from work in progress	26,746
At 31 December 2025	**156,633**
At 1 January 2024	91,187
Reclassification from work in progress	38,700
At 31 December 2024	**129,887**
Accumulated Amortisation	
At 1 January 2025	96,058
Charge for the year	13,174
At 31 December 2025	**109,232**
At 1 January 2024	88,320
Charge for the year	7,738
At 31 December 2024	**96,058**
Net book value	
At 31 December 2025	**47,401**
At 31 December 2024	**33,829**

(i) The Company had no commitments relating to the acquisition of intangible assets as at 31 December 2025 (31 December 2024: Nil)

(ii) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year (31 December 2024: Nil)

13 BORROWINGS AND DEBT SECURITIES

(a) Debt securities issued

In thousands of Naira	31 December 2025	31 December 2024
Fixed rate debt security issued at amortized cost (see note (i) below)	15,292,273	17,973,980
	15,292,273	**17,973,980**
Current	3,150,323	4,341,478
Non-current	12,141,950	13,632,502
	15,292,273	**17,973,980**

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

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

The bonds were issued under the Company's ₦440 billion Medium Term Note proramme. 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

In thousands of Naira	**31 December 2025**	**31 December 2024**
Borrowings from FGN (see note (ii) below)	36,059,147	36,806,320
	36,059,147	**36,806,320**
Current	1,142,433	2,341,252
Non-current	34,916,714	34,465,068
	36,059,147	**36,806,320**

(i) 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.

14 OTHER LIABILITIES

In thousands of Naira	31 December 2025	31 December 2024
Non-financial liabilities		
Withholding tax payable	3,250	9,922
ITF payable	9,462	9,543
	12,712	**19,465**
Financial liabilities		
Accrued contribution towards market development (see note 13(a)(ii))	2,905,591	2,560,536
Accrued professional fees	41,239	46,509
Performance bonus payable to employees	173,557	167,360
Other account payable (a)	119,874	212,177
Sundry creditors (b)	6,926	110,791
	3,247,187	**3,097,372**
	3,259,899	**3,116,837**
Current	3,259,899	3,117,111
Non-current	-	-
	3,259,899	**3,117,111**

(a) Other account payable warehouses unclaimed dividend returned ₦58.5m (2024: ₦175.5m) and payables to vendors ₦54.7 (2024: ₦36.7m) 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.

15 CAPITAL AND RESERVES

(a) Share capital and share premium

In thousands of Naira	31 December 2025	31 December 2024
(i) *Minimum issued shares:*		
2,125,444,427 ordinary shares of ₦1.00 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.

In thousands of Naira	31 December 2025	31 December 2024
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

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	14,340,479	13,008,738
Transfer from statement of profit or loss and other comprehensive income	3,403,216	3,682,189
Transfer to statutory reserve	(510,482)	(552,329)
Transfer to statutory credit risk reserve (See note 27 below)	(21,146)	(34,000)
Dividend paid (See note (ii) below)	(1,764,119)	(1,764,119)
Balance, end of year	**15,447,948**	**14,340,479**

(i) Included in the retained earnings is ₦11.2 billion (2024: ₦9.9 billion) which is the non-distributable portion of retained earnings attributable to the utilization of the IDA facility.

(ii) The Company paid dividend of ₦1.7 billion in 2025 (2024: ₦1.7 billion)

(c) Statutory reserve

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	5,048,250	4,495,921
Transfer from retained earnings (see note (i) below)	510,482	552,328
Balance, end of year	**5,558,732**	**5,048,250**

(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 2025, having met the requirement , the Company transferred 15% of its net profit to statutory reserves (2024: 15%)

(d) Fair value reserve

In thousands of Naira	31 December 2025	31 December 2024
Balance, beginning of year	(380,715)	32,035
Fair value gain/(loss) for the year (see note (i) below)	258,145	(411,251)
Impairment charge on investment securities at FVOCI (see note (i) below)	10,005	-
Net remeasurement of ECL allowance on FVOCI debt instruments	-	(1,499)
Balance, end of year	**(112,565)**	**(380,715)**

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

16 INTEREST INCOME CALCULATED USING EFFECTIVE INTEREST RATE

In thousands of Naira	31 December 2025	31 December 2024
Cash and cash equivalents	4,551	5,634
Placements with banks	393,019	385,692
Mortgage refinance loans	2,785,688	2,969,789
Treasury bills	162,014	101,265
Federal Government of Nigeria bonds	6,901,477	6,974,041
Total interest income calculated using effective interest method	**10,246,749**	**10,436,421**

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

31 December 2025

In thousands of Naira	Amortised cost	FVOCI	Total
Cash and cash equivalents	4,551	-	4,551
Placements with banks	393,019	-	393,019
Mortgage refinance loans	2,785,688	-	2,785,688
Treasury bills	-	162,014	162,014
Federal Government of Nigeria bonds	6,491,360	410,117	6,901,477
	9,674,618	**572,131**	**10,246,749**

31 December 2024

In thousands of Naira	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**

17 INTEREST EXPENSE CALCULATED USING EFFECTIVE INTEREST RATE

Interest expense at amortised cost comprises of:

In thousands of Naira	31 December 2025	31 December 2024
Interest expense on borrowings	1,549,932	1,619,065
Interest expense on debt securities issued	2,234,680	2,508,073
	3,784,612	**4,127,138**

18 OTHER INCOME

In thousands of Naira	31 December 2025	31 December 2024
Profit on disposal of property, plant and equipment	-	8,860
Foreign exchange gain	92	5,066
	92	**13,926**

19 PERSONNEL EXPENSES

In thousands of Naira	31 December 2025	31 December 2024
Salaries and allowances	766,929	685,899
Defined contribution plan	34,668	28,085
Group Life Assurance	12,658	11,996
Other staff cost (See note (a) below)	371,233	362,759
	1,185,488	**1,088,739**

(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:

	31 December 2025	31 December 2024
Executive	1	1
Management	8	8
Non-management	13	13
	22	**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 2025	31 December 2024
₦300,001 - ₦2,000,000	-	-
₦2,000,001 - ₦3,000,000	-	-
₦3,000,001 - ₦4,000,000	-	-
₦4,000,001 - ₦5,000,000	-	-
₦5,000,001 - ₦6,000,000	-	-
₦6,000,001 - ₦7,000,000	-	-
₦7,000,001 - ₦8,000,000	-	2
₦8,000,001 - ₦9,000,000	-	4
₦9,000,001 - ₦10,000,000	-	-
₦10,000,001 and above	22	16
	22	**22**

20 NET IMPAIRMENT WRITEBACK ON FINANCIAL ASSETS

	In thousands of Naira	31 December 2025	31 December 2024
a)	**Impairment writeback on loans and advances**	**(39,504)**	**(47,728)**
	Impairment charge/(writeback) on investment securities at FVOCI	10,005	(1,499)
	Impairment (writeback)/charge of investment securities at amortised cost	(10,391)	2,296
	Impairment writeback on pledged assets	-	(1,517)
	Impairment charge/(writeback) on placements with banks	1,183	(750)
b)	**Net impairment charge/(writeback) on investments**	**797**	**(1,470)**
	Total Impairment writeback	**(38,707)**	**(49,198)**

21 OTHER OPERATING EXPENSES

In thousands of Naira	31 December 2025	31 December 2024
Service charge/Legal fees	1,146	15,267
ITF Levy	10,807	10,047
NSITF	5,165	7,315
General admin expenses	73,072	68,547
Audit fee (See note (b) below)	43,000	43,000
Custody fees	34,631	37,369
Bank charges	8,004	8,757
Utility and electricity	42,506	39,699
Advertisement	29,631	29,241
Insurance	12,148	9,314
IT cost	268,387	200,865
Professional fees (see note (a) below)	130,599	81,337
Stationery and printing	3,305	1,031
Recruitment expense	1,113	507
Corporate gifts and branding	78,710	44,370
Subscription expenses	40,926	42,685
Annual general meeting expenses	21,979	19,206
Business and product development expenses	-	-
Corporate social responsibility (CSR)	23,995	22,317
Directors fees	70,168	64,309
Flight & transportation cost	50,055	75,478
Hotel accommodation expenses	533	543
Conferences	49,680	39,391
Other directors expenses	42,669	31,741
Other board expenses	234,246	111,323
Staff welfare and training	10,224	10,889
Sponsorship	29,000	22,038
Guarantee fee (see note 14(a)(ii))	345,056	375,926
	1,660,754	**1,412,786**

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

In thousands of Naira	31 December 2025	31 December 2024
Financial consultancy services	3,114	4,762
Tax consultancy services	13,835	9,128
Bond rating/related services	59,187	53,669
Project management, compliance and market advisory services	53,975	8,778
Other advisory services	488	5,000
	130,599	**81,337**

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

22 TAXATION

(a) Income tax expense

(i) Recognised in profit or loss

In thousands of Naira	31 December 2025	31 December 2024
Major component of the tax expense:		
Minimum tax	51,259	52,252
	51,259	52,252
Income tax expense:		
Information technology tax	34,894	37,731
Police Trust Fund Levy	-	189
	34,894	37,920
Total income tax expense	**86,153**	**90,172**

(ii) Reconciliation of effective tax rate

In thousands of Naira	31 December 2025		31 December 2024	
Profit before tax		3,489,369		3,640,595
Tax using domestic corporation tax rate	30%	1,046,811	30%	1,131,708
Non-deductible expenses	1%	41,796	1%	41,796
Tax exempt income	(60%)	(2,080,911)	(56%)	(2,122,207)
Adjustment recognised due to difference in tax rates	0%	(8,847)	0%	-
Information technology tax	1%	34,894	1%	37,731
Police trust fund levy	0%	-	0%	189
Minimum tax	1%	51,259	1%	52,252
Unrecognised deductible temporary differences	29%	994,482	25%	948,703
Total	**2%**	**86,153**	**2%**	**90,172**

(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.

In thousands of Naira	**31 December 2025**	**31 December 2024**
Balance, beginning of year	109,106	107,159
Charge for the year	86,154	90,172
Tax paid	(90,165)	(88,225)
Balance, year end	**105,095**	**109,106**

(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:

In thousands of Naira	**31 December 2025**	**31 December 2024**
Capital Allowances on property, plant and equipment	260,325	250,508
Unrelieved tax losses	7,160,259	6,255,481
Collective impairment	109,184	92,374
	7,589,768	**6,598,363**

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

In thousands of Naira	**31 December 2025**	**31 December 2024**
Balance, beginning of the year	6,620,159	5,716,839
Movement in the Year	969,609	903,320
Balance, end of the year	**7,598,768**	**6,620,159**

23 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 2025

Weighted average number of ordinary shares

In thousands of units of shares	Notes	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**
Profit attributable to equity holders				**3,403,216**
Earnings per share (kobo)				**160**

31 December 2024

Weighted average number of ordinary shares

In thousands of units of shares		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**
Profit attributable to equity holders				**3,682,189**
Earnings per share (kobo)				**173**

(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.

24 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 2025 (31 December 2024: Nil)

25 CONTINGENT LIABILITIES

As of 31 December 2025, the Company was not involved in any litigations or claims (31 December 2024: ₦208 million).

26 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:

In thousands of Naira	31 December 2025	31 December 2024
Short-term employee benefits	526,318	475,581
Pension cost	24,390	22,747
	550,708	**498,328**

(ii) Directors' emoluments

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

In thousands of Naira	31 December 2025	31 December 2024
Fees	70,168	64,309
Sitting and other allowances	42,669	31,741
	112,837	**96,050**

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

In thousands of Naira	31 December 2025	31 December 2024
₦10,000,0000 - ₦12,000,000	-	-
₦12,000,001 - ₦14,000,000	2	2
₦14,000,001 - ₦16,000,000	2	2
₦16,000,001 - and above	4	4
Total	**8**	**8**

(iii) Chairman and Highest paid director

	31 December 2025	31 December 2024
Chairman	12,382	13,525
Highest paid director	150,741	136,288

(b) Transactions with shareholders

During the year ended 31 December 2025, the following transactions occured between the Company and the following shareholders.

(i) Money market placements

In thousands of Naira	31 December 2025	31 December 2024
Access Bank Plc	148,976	390,436
Sterling Bank Plc		
- Current accounts	12,605	-
- Money market placements	150,058	-
Homebase Mortgage Bank		
- Money market placements	1,245,863	924,488
Infinity Trust Mortgage Bank		
- Money market placements	103,375	103,716
LivingTrust Mortgage Bank		
- Money market placements	90,140	228,723
FHA Mortgage Bank		
- Money market placements	103,068	103,022
	1,854,085	**2,006,511**

(ii) Mortgage refinance loans

In thousands of Naira	31 December 2025	31 December 2024
Abbey Mortgage Bank Plc	655,018	822,913
First Trust Mortgage Bank Plc	1,217,175	1,833,307
Suntrust Bank Nigeria Limited	833,149	920,872
Homebase Mortgage Bank Limited	3,919,302	4,113,034
Stanbic IBTC Bank Limited	2,483,571	2,772,372
Sterling Bank Plc	775,176	1,024,860
Infinity Trust Mortgage Bank Plc	1,691,761	414,920
Access Bank Plc	4,568,282	4,825,504
Brent Mortgage Bank	190,161	199,833
Gateway Mortgage Bank	1,418	1,507,105
	16,335,013	**18,434,720**

(iii) Interest income

In thousands of Naira	31 December 2025	31 December 2024
Access Bank Plc	31,061	27,411
Sterling Bank Plc	42,817	49,985
Homebase Mortgage Bank	212,606	123,217
Gateway Mortgage bank	-	40,562
Delta Trust Mortgage Bank	2,071	11,562
Infinity Trust Mortgage Bank	16,172	13,516
FHA Mortgage Bank	10,279	12,418
LivingTrust Mortgage Bank	-	49,698
Stanbic IBTC Bank	42,492	57,000
	377,241	**385,367**

27 STATEMENT OF PRUDENTIAL ADJUSTMENTS

(i) Loans and advances to customers

In thousands of Naira	Notes	31 December 2025	31 December 2024
ECL impairment allowance on mortgage refinance loans	8 (b)	71,666	111,170
Total impairment allowance on mortgage refinance loans (a)		**71,666**	**111,170**
Total impairment based on prudential guidelines (b)		**221,678**	**240,036**
Difference (c) = a - b		**(150,012)**	**(128,866)**

In accordance with Central Bank of Nigeria Prudential Guidelines, the Company has made transfer to the regulatory risk reserve during the year because IFRS 9 impairment allowance is lower than impairment based on prudential guidelines.

28 STATEMENT OF CASHFLOW WORKINGS

(a) Changes in Mortgage refinance loans

(i) *In thousands of Naira*	Notes	31 December 2025	31 December 2024
Mortgage refinance loans at the beginning of the year	8	23,892,428	25,217,498
Interest income	16	2,785,688	2,969,789
Interest received		(2,785,688)	(3,029,185)
Impairment expense	8(a)	39,504	47,728
Mortgage refinance loans at the end of the year	8	(22,096,221)	(23,892,428)
Gross movement in Mortgage refinance loans		**1,835,711**	**1,313,402**
Amount recognized in cash flow		**1,835,711**	**1,313,402**

(b) Net change in placements with banks

(i) *In thousands of Naira*	Notes	31 December 2025	31 December 2024
Placements at the beginning of the year	7	1,621,130	1,813,404
Interest income	16	393,019	385,692
Interest received		(393,019)	(393,406)
Impairment (charge)/writeback	7	(1,183)	750
Placements at the end of year	7	(1,691,322)	(1,621,130)
Movement in placements		**(71,375)**	**185,310**

(c) Changes in other assets

In thousands of Naira	Notes	31 December 2025	31 December 2024
Balance at the beginning of the year	10	747,557	245,016
Balance at the end of the year	10	(1,003,423)	(747,557)
Movement in other assets		**(255,866)**	**(502,541)**

(d) Changes in other liabilities

In thousands of Naira	Notes	31 December 2025	31 December 2024
Balance at the end of the year	14	3,259,899	3,116,837
Balance at the beginning of the year	14	(3,116,837)	(2,646,329)
Movement in other liabilities		**143,061**	**470,509**

(e) Interest received

In thousands of Naira	Notes	31 December 2025	31 December 2024
Interest income received on mortgage refinance loans	28(a)	2,785,688	3,029,185
Interest income received on cash and cash equivalents	16	4,551	5,634
Interest income received on placements with banks	28(b)	393,019	393,406
Interest income received on treasury bills	16	162,014	101,265
Interest income received on investment securities - FVOCI	16	410,117	513,415
Interest income received on investment securities - Amortised cost	9,16	6,633,009	6,650,823
Total interest income received		**10,388,397**	**10,693,728**

(f) Repayment of borrowings and debt securities

In thousands of Naira	31 December 2025	31 December 2024
Total payable in prior year		
- Debt securities	17,973,980	20,391,537
- Borrowings	36,806,320	38,586,370
Proceeds from debt securities issued during the year	-	-
Proceeds from borrowings	-	-
Interest paid on borrowings	(1,577,423)	(1,577,423)
Interest paid on debt securities issued	(2,223,646)	(2,223,646)
Principal repayment of debt securities issued	(2,692,741)	(2,701,986)
Principal repayment of borrowings	(719,682)	(1,821,694)
Interest expense in current year	3,784,612	4,127,138
	51,351,420	**54,780,296**
Total payable in current year		
- Debt securities	(15,292,273)	(17,973,980)
- Borrowings	(36,059,147)	(36,806,320)
Changes due to amortized cost measurement		
Principal repaid		
- Debt securities	(2,692,741)	(2,701,986)
- Borrowings	(719,682)	(1,821,694)
Total principal repaid	**(3,412,423)**	**(4,523,680)**
Interest paid		
- Debt securities	(2,223,646)	(2,223,646)
- Borrowings	(1,577,423)	(1,577,423)
Total interest paid	**(3,801,069)**	**(3,801,069)**

(g) Profit on disposal of property and equipment

In thousands of Naira	Notes	31 December 2025	31 December 2024
Cost	11	-	171,320
Accumulated depreciation	11	-	(159,318)
NBV		-	12,002
Sales proceed		-	20,862
Profit on disposal	18	**-**	**8,860**

29 EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that could have had a material effect on the financial statements of the Company as at 31 December 2025 that have not been taken into account in these financial statements.

Other National Disclosures

Value Added Statement

	December 2025	%	December 2024	%
Gross earnings	10,246,841		10,450,347	
Loan loss expenses/diminution in risk assets	39,504		47,728	
Bought-in materials and services - Local	(1,661,551)		(1,411,040)	
Value added	**8,624,794**	**100**	**9,087,035**	**(100)**
Applied to pay:				
To providers of finance				
Interest expense on borrowings	1,549,932	17	1,619,065	17
Interest expense on debt securities issued	2,234,680	26	2,508,073	28
To employees				
Personnel expenses	1,185,488	14	1,088,739	12
To the Government				
Taxation	86,153	1	90,172	1
Retained in the business:				
Depreciation and amortisation	165,325	2	98,796	1
Profit for the year	3,403,216	40	3,682,189	41
Value added	**8,624,794**	**100**	**9,087,035**	**100**

Five Year Financial Summary

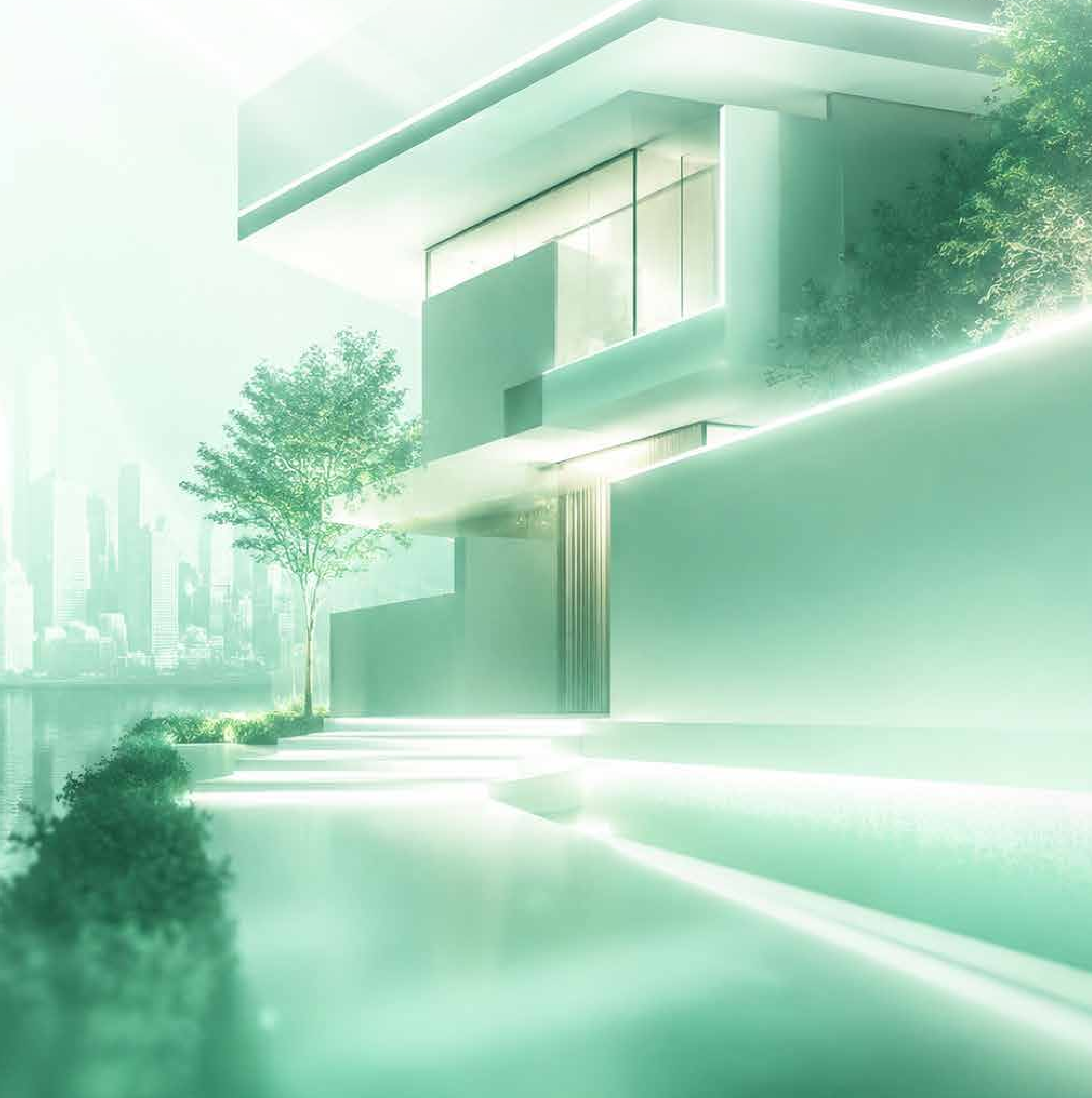
Statement of Financial Position

In thousands of Naira	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Assets					
Cash and cash equivalents	166,690	427,282	93,739	337,585	2,819,440
Placements with banks	1,691,322	1,621,130	1,813,404	1,755,644	675,182
Pledged assets	-	-	1,146,669	-	-
Investment securities - FVOCI	3,366,598	2,821,072	3,168,379	2,543,939	2,415,495
Investment securities - Amortised cost	54,700,017	55,031,275	55,231,867	56,342,656	57,334,806
Other assets	1,003,423	747,557	245,016	176,306	151,389
Intangible assets	47,401	33,829	2,867	4,143	4,901
Property, Plant and Equipment	739,545	619,227	494,192	475,890	492,412
Total assets	**83,811,217**	**85,193,799**	**87,413,631**	**85,657,808**	**84,998,488**
Liabilities					
Other liabilities	3,259,899	3,116,837	2,646,329	2,251,722	1,904,513
Current tax liabilities	105,095	109,106	107,159	104,482	68,309
Debt securities issued	15,292,273	17,973,980	20,391,537	22,530,685	24,506,298
Borrowings	36,059,147	36,806,320	38,586,370	37,532,959	37,594,065
Total liabilities	**54,716,414**	**58,006,243**	**61,731,395**	**62,419,848**	**64,073,185**
Net assets	**29,094,803**	**27,187,556**	**25,682,236**	**23,237,960**	**20,925,303**
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	15,447,948	14,340,479	13,008,738	11,057,663	9,166,104
Statutory reserves	5,558,732	5,048,250	4,495,921	3,963,062	3,455,309
Statutory credit risk reserve	150,012	128,866	94,866	25,364	17,356
Fair value reserve	(112,565)	(380,715)	32,035	141,195	235,858
Total equity	**29,094,803**	**27,187,556**	**25,682,236**	**23,237,960**	**20,925,303**
Total liabilities and equity	**83,811,217**	**85,193,799**	**87,413,631**	**85,657,808**	**84,998,488**

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Naira	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Interest income calculated using effective interest rate	10,246,749	10,436,421	10,326,562	10,109,026	9,759,205
Interest expense calculated using effective interest rate	(3,784,612)	(4,127,138)	(4,412,238)	(4,590,188)	(4,734,632)
Net interest income	**6,462,137**	**6,309,283**	**5,914,324**	**5,518,838**	**5,024,573**
Other income	92	13,926	664	813	146,627
Total income	**6,462,229**	**6,323,209**	**5,914,988**	**5,519,651**	**5,171,200**
Impairment of loans and advances	38,707	49,198	68,859	(61,712)	11,864
Personnel expenses	(1,185,488)	(1,088,738)	(1,029,875)	(861,833)	(798,750)
Depreciation & amortization	(165,325)	(98,796)	(70,715)	(84,779)	(83,709)
Other operating expenses	(1,660,754)	(1,412,512)	(1,242,662)	(1,031,339)	(913,850)
Profit before income tax	**3,489,369**	**3,772,361**	**3,640,595**	**3,479,988**	**3,386,755**
Income tax expense	(86,153)	(90,172)	(88,200)	(94,970)	(68,331)
Profit for the year	**3,403,216**	**3,682,189**	**3,552,395**	**3,385,018**	**3,318,425**
Items that are or may be reclassified to profit or loss					
- Changes in fair value of FVOCI debt instruments	268,150	(412,750)	(109,160)	(94,663)	(1,006,436)
Other comprehensive income, net of income tax	**268,150**	**(412,750)**	**(109,160)**	**(94,663)**	**(1,006,436)**
Total comprehensive profit for the year	**3,671,366**	**3,269,439**	**3,443,235**	**3,290,355**	**2,311,989**
Profit attributable to:					
Equity holders of the Company	3,403,216	3,682,189	3,552,395	3,385,018	3,318,425
Profit for the year	**3,403,216**	**3,682,189**	**3,552,395**	**3,385,018**	**3,318,425**
Total comprehensive profit attributable to:					
Equity holders of the Company	3,403,216	3,682,189	3,443,235	3,290,355	2,311,989
Total comprehensive profit for the year	3,671,366	**3,269,439**	**3,443,235**	**3,290,355**	**2,311,989**
Earnings per share (Basic and diluted)	**160 k**	**173 k**	**167 k**	**159 k**	**156 k**

Other Shareholders' Information



Affix
Current
Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM

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

Only Clearing Banks are acceptable

Instruction

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

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

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address Company Seal (If applicable)

Signature(s) Joint\Company's Signatories

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)

I/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

I/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 12th Annual General Meeting of Nigeria Mortgage Refinance Company PLC (NMRC) will hold virtually on Tuesday, August 4, 2026 at 10:00 a.m.

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

……………………………………………………...……………………………………………………...………...………………………………

or failing him/her, Dr. Olabanjo Obaleye or Mr. Kehinde Ogundimu as our proxy to act and vote on our behalf at the Annual General Meeting to be held virtually on 4th August 2026 at 10:00 a.m. or at any adjournment thereof.

Dated this…..........…...day of ………………......2026.

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, 2025, 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. Ms. Funke Aboyade, SAN b. Dr. Markie Idowu		
4.	To approve the appointment of Mr. Adeyemi Odubiyi as Director		
5.	To approve the appointment of Mr. Arinze Adigwe as Director		
6.	To disclose the remuneration of managers		
7.	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		
8.	To authorise the Directors to fix the remuneration of the Auditors		
9.	To appoint members of the Audit Committee		
	Special Business:		
	Directors' Compensation		
10.	To consider and if thought fit, pass the underlisted as an ordinary resolution of the Company:		
	"That the Directors' Compensation package presented by the Board be and is hereby approved".		

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. In the case of a corporation, this proxy form should be completed either by affixing the common seal or by the signature of a duly authorized officer.

________________ ____________________

Authorised Officer Authorised Officer

ADMISSION CARD

12th Annual General Meeting of Nigeria Mortgage Refinance Company PLC (NMRC) will hold virtually on Tuesday, 4th August 2026 at 10:00 a.m.

Name of Shareholder (in BLOCK LETTERS) ………………………………………..

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